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Part I: Co-operation and Association

GERMANY.

WILHELM HAAS.

Wilhelm Haas, the legal representative (*Generalanwalt*) of the National Union of Agricultural Co-operative Societies, died at Darmstadt on 11th of February. The German agricultural world has lost in him one of its most valuable members. For forty years he took a leading part in the agricultural co-operative movement of Germany, first of all in the limited sphere of his native country, the Grand Duchy of Hesse, then, after 1883, as head of the *Reichsverband der deutschen landwirtschaftlichen Genossenschaften* (National Federation of German Agricultural Co-operative Societies). This federation, the proportions of which were at first modest, developed under his direction until it has become a powerful organization for almost the whole of German agricultural co-operation. Not only for the German farmers is his death a great loss. The sincere praises sent to the National Federation from a large number of foreign countries show the high consideration in which Haas was held even beyond the frontiers of the German Empire. And indeed, his action was not confined to the field of German co-operation, for the more the latter has prospered, the more it has served as the model for foreign countries. Haas always assisted the co-operative movement abroad both actively and with advice and, in the same way, he always did his utmost to bring to the experience of other countries and the results obtained in Germany for the benefit of German agriculture. He was in friendly relations with most of the men working for the same ends as himself in other countries and his great services to the co-operative institutions received their fitting reward in 1906, when, on the foundation of the International Union of Agricultural Co-operative Societies, he was appointed its first president.

Considering the eminent personality of the deceased, the readers of this periodical could not be satisfied, if we did not give some account of his life and his work.

Haas was born at Darmstadt on October 26th., 1839. He attended town gymnasium and then from 1857 to 1861 he studied law at the University of Giessen. In 1862, he entered the service of the Government of Grand Duchy of Hesse. In 1869 he was appointed district assessor (*Rechtsassessor*) of the Grand Duchy in the office of the Friedberg District, Upper Hesse. Ten years later, in 1879, he was Councillor of Police (*Polizeirath*) at Darmstadt, and, in 1886, he was District Councillor (*Kreisrath*) for Offenbach district. He held this important office until 1900. Then he devoted the Government service to devote himself entirely to his other duties of such various character.

In 1872 he began his work in the field of co-operative organization which was to have such happy results. He founded that year the Agricultural Distributive Union of Friedberg (Hesse). Already in his position as member of the Provincial Agricultural Union of Starkenberg, of which he was later on president, he had had opportunity for familiarising himself with the needs and aspirations of the agricultural world. With the loan and savings banks, the agricultural distributive unions were the earliest agricultural associations of Germany. Their object was to protect their members against the losses they might have to suffer through the very unsatisfactory conditions of the trade in cattle foods, manure, and seeds at that date. It was in the Grand Duchy of Hesse they first extended themselves and in greater number than elsewhere. But, as long as they acted independently of each other they could only partly succeed in protecting the farmers registered with them from those speculating in the most important farm requisites. Very well informed as to the state of things, Haas conceived the plan of uniting in a single federation the societies which were too weak by themselves. The proposal was well received by a large number of persons at the head of the co-operative institutions of the Grand Duchy of Hesse. They charged him to address an invitation to the 18 agricultural distributive unions then existing in the Grand Duchy and he did so on June 19th., 1873. He showed them the melancholy situation of agriculture and proved to them how necessary it was to unite the societies in a federation. On the initiative of 16 societies a meeting was held at Mainz on June 30th., 1873. This meeting fully approved the idea of Haas for the improvement of the conduct of affairs of the societies by mutual communication of their experiences and by procuring the members greater advantages by means of collective contracts for the purchase of farm requisites. Fifteen societies, with altogether 1,070 members immediately adhered to the projected federation.

Haas was elected president of the Federation. In that office he soon gave proof of extraordinary talent as an organizer and administrator. In a short time the agricultural distributive unions increased very remarkably in the Grand Duchy of Hesse, so that, at the end of 1875, the number of societies belonging to the Federation were already 40. The efforts of the Federation were crowned with complete success. It did not confine itself to doing its utmost to obtain better terms for the farmers by means of collective purchase. It also interested itself in arranging that the articles supplied

d be of good quality. With this object it succeeded in introducing the clauses of the contracts with the suppliers the principle that goods should only be paid for in proportion to the quantity utilisable established by chemical analysis. In this way with the assistance of the stadth experimental farm, it was able effectually to combat fraud, which was formerly prevalent in the trade in farm requisites. In addition the Federation got rid of the danger that the farmers, while having recourse to credit might become slaves of the merchants and be more and more taken advantage of in future.

The Federation continued working up to 1890 to the great advantage of agriculture in the Grand Duchy. It was then transformed into a federation of all the different sorts of agricultural co-operative societies.

Its action was now limited to the representation of the general interests of the co-operative societies and particularly to the inspection of the federated societies, as prescribed in the law on co-operative societies. Its function as intermediary for the collective purchase of goods was entrusted to a central co-operative society, the foundation of which had been made possible by the new law.

The methods of proceeding adopted by the Federation of the Grand Duchy of Hesse and the systems employed by it were soon taken as examples in the foundation of co-operative purchase societies and federations in other parts of the German Empire. Some associations founded in the Grand Duchy of Hesse, in the districts near the border, even requested to be affiliated to the Federation. Their application could not be accepted. Haas, in fact, as he declared in 1876, thought it probable that these associations should endeavour to promote the foundation of new societies in their own districts and afterwards unite with the provincial or national federations.

But, at the same time, Haas already showed the possibility of uniting the district federations so formed in their turn in a general federation. The idea became realisable in 1883. After a long exchange of opinions and views both by letter and word of mouth between Haas and the other managers of the co-operative institutions, on February 11, 1883, on the occasion of the meeting of the Board of Agriculture (*Landwirtschaftsrat*) at Berlin, a preparatory understanding was reached between Haas, and nine other representatives of the agricultural co-operative societies. It was unanimously decided to promote a federation of agricultural co-operative purchase societies and dairies. An invitation was then sent out, signed by a large number of persons distinguished in the co-operative world. On July 6th., 1883, on the occasion of the Hamburg International Cattle Show, a meeting was held attended by 51 representatives from various parts of the Empire, which led to the formation of the Federation of German Agricultural Co-operative Societies (*Vereinigung deutscher landwirtschaftlichen Genossenschaften*). At first, it was composed of nine district federations, which had 239 societies as members, 132 of which belonged to the Federation of Agricultural Distributive Societies of the Grand Duchy of Hesse and 9 co-operative dairies. Again this time Haas was

elected president and manager. From this moment his name is closely associated with the most important events of German agricultural co-operative life. The development of this confederation, which in 1869 assumed the name of General Federation (*Allgemeiner Verband*), and in 1903 that of National Federation of German Agricultural Co-operative Societies (*Reichsverband der deutschen Landwirtschaftlichen Genossenschaften*), is not to be considered apart from that of German agricultural co-operation generally. The Federation first of all had its head quarters at Darmstadt. In 1886, it followed Haas to Offenbach, and finally installed itself again at Darmstadt in 1900.

During the first seven years, the confederation was only a common centre for the greater number of co-operative purchase societies of Germany and some co-operative dairies, for the loan and savings banks had already their central head quarters at Neuwied in the Federation for the Defence of the Interests of the Agricultural Societies (*Anwaltschaftsverband*) formerly Raiffeisen, which became later on the General Federation (*Allgemeiner Verband*). The office of the Confederation was essentially to safeguard collective interests and to help the federations and affiliated co-operative societies by mutual advice and exchange of information, as well as encouraging the continually increasing development of agricultural co-operation. From the start, it served as intermediary for the collective purchase of goods. The action exerted by the Federation of the Grand Duchy of Hesse had already shown the utility of a central organ of this kind to have for the purchase unions. The foundation of this confederation was quite of special importance for the co-operative dairies, still quite young but on the way to rapid development. What they had wanted hitherto was cohesion; so they had had no means of coming to an understanding with each other or of mutually advising and helping each other in their foundation and the management of their business. An agreement for the purpose was the more necessary as the first co-operative dairies had a large number of difficulties to overcome, due not only to external circumstances but also to errors in their organization and their working. It is precisely connection with farms which are less suited than other businesses to a uniform system and every where call for treatment in conformity with special circumstances; that often problems and doubts arise that cannot be settled without the advice of specialist members.

After the death of Raiffeisen in 1889, it was decided to receive even agricultural credit societies as members of the Federation. There were then from this moment two federations for these institutes and they were long enemies. This dualism in the world of agricultural co-operation was not caused by the new decision, for it had already long been manifest, even from the first foundation of the National Federation. It was due to Raiffeisen and Haas and his followers not having the same conception of the manner in which agricultural co-operation must work nor of the end to be assigned to it.

At first Haas had collaborated with Raiffeisen in the realization of some of his most important projects. When in 1874, seeing the high position Haas

in the co-operative world of the Grand Duchy of Hesse, Raiffeisen avowed to gain him for this project of his, he accepted with enthusiasm; the idea was to found a co-operative bank for the Grand Duchy of Hesse, the Rhenish Palatinate. Like the Westphalian Agricultural Bank, created at the same time and the Rhenish Agricultural Co-operative Bank, founded in 1872, the new bank was intended to serve as an intermediary between the societies and the General Agricultural Bank, which was founded. But as the attempt made by Raiffeisen to found the General Bank failed in 1876, the Bank of the Grand Duchy of Hesse, inaugurated in 1874, on April 7th, 1874, was also dissolved. The consequence was the loan and savings banks of the Grand Duchy of Hesse continued to work for their own account. In 1879 they openly broke with Raiffeisen, united in a Territorial Federation of the Loan and Savings Banks of the Grand Duchy of Hesse. This federation was soon in close relation with the Federation of Agricultural Co-operative Distributive Societies of the Grand Duchy of Hesse. When, later, at the end of 1879, this confederation transformed, and, in consequence of the adherence of a quantity of societies carrying on business in other territories than that of the Grand Duchy of Hesse, became the Federation of the South and West German Agricultural Credit Societies, Haas was elected president. Thus, in consequence of a personal link between the two federations, agricultural co-operation in the Grand Duchy of Hesse was entirely under one management; even before it was completely united as it became in 1890.

In the struggle for the leadership of the German agricultural co-operative movement between Raiffeisen's General Federation and the National Federation, the latter incontestably had the advantage. To understand this we must remember the contrasting principles of the two federations: the very basis from which Raiffeisen started in founding his loan and savings banks was the Christian idea of brotherly love. He did not place the economic advantages the societies offered their members in the first line. His principal object was the spiritual and moral elevation of the agricultural population by means of the educative influence of association, and, in addition, the support and encouragement granted, above all, to needy and to persons in bad circumstances. He did not therefore allow the profits obtained in the business to be distributed among the members at the end of the year or at the dissolution of the society. He held that such profits should form an indivisible fund for the society, whatever was not required for working capital, to allow of the association discharging its economic office, should be devoted to charity. Raiffeisen made the recognition and the practice of these fundamental principles a condition for the admission of societies into his federation. Besides his system was dominated by the idea of the strictest centralisation, not only as regards the representation of the general interests, the management and supervision of the co-operative societies on the part of the federation, but also in every thing relating to its business. In fact, the Central Agricultural Credit Society, founded in 1876, by the Rhenish Agricultural Bank, was intended to work as a clearing house for all the soci-

eties affiliated to the *Arbeitsgemeinschaften*. The provincial branches of the Federation it was intended to found were only to be administrative branches. As a last and special characteristic of the Raiffeisen system we must also mention that it was really founded on a single type of co-operative society, that of the co-operative credit societies also engaged in collective purchase, in comparison with which other co-operative societies were regarded by it as subordinate.

On all these points the National Federation presented considerable differences. It is true the efforts made by it had not for their sole object the attainment of material advantages for the farmers, but also their moral and spiritual elevation. However, this latter object seemed rather a natural consequence of the co-operative action, and was not put forward in the first place as an indispensable element in the rules of each society. The fundamental and guiding principle of the National Federation was rather the autonomy and independence of the societies. From the start, it endeavoured to avoid subjecting co-operation to rigid theoretical rules and provisions in any way limited. In founding the National Federation, he had the practical sentiment and the fine understanding of the real needs of agriculture and he let himself be guided in the first place by purely economic considerations. In his 1883 address, as in that delivered in 1873, he declared that there was no intention in any way to place the co-operative institutes under tutelage. The proposed Federation wished simply and solely to propose the union of scattered forces and at the same time to advise, instruct and encourage. All the adherent societies would henceforth be free to profit as they judged best by the advice and proposals made to them. There was therefore here a contrast with the centralising tendency of the Raiffeisen federation. The dominating principle in the National Federation was decentralisation, rendering it possible for each member to develop according to its needs and its special conditions. There was another fact which contributed to the realisation of the objects of the societies, namely that in the National Federation, it was not attempted to attain various ends by means of a single type of society, but a particular form of society was founded for each special end.

These differences explain, to a large extent, why the two federations developed differently. It is above all the foundation of autonomous territorial and provincial organizations that have to an extraordinary degree contributed to the development of the National Federation, for not only are they a more effectual medium for the expansion of co-operation than a large central federation would be, but also they are better able to take account of the considerable economic, intellectual and political differences between the various parts of the German Empire.

On account of the greater liberty of its constitution, the National Federation has gradually become the legitimate representative of the large number of German agricultural co-operative societies, whilst the General Federation never united more than a part. In June, 1890, the National Federation contained 1,319 societies or 43 % of the total number of agricultural co-operative societies in the Empire; on June 1st, 1900, 7,137

%; on July 1st., 1904, 10,794 or 59 %, and finally, according to the figures for June 1st., 1912, at that date it contained 20,435 societies or 85 %.

In 1905 the General Federation finally joined it, with 4,500 co-operative societies, when, as a result of negotiations often interrupted, an understanding was arrived at, putting an end to their mutual conflict and leading the two federations to collaborate more cordially for the attainment of common ends. Under these circumstances, the provincial organisations of the Raiffeisen Federation were transformed into territorial and provincial autonomous federations, with their special rules and the right of inspection. In this respect the Raiffeisen party made a considerable contribution to one of the most important principles of the National Federation, namely that of decentralisation. For that matter, already previously in 1909, there had been a first modification in this sense in the organisation of the Raiffeisen Federation. This union with the National Federation did, not however, permit of the object aimed at being attained. In fact, it became evident that it was impossible to arrive at an understanding with regard to certain differences of view, and the bond between the federations was again broken on June 30th. of this year. In any case, the benefits of the union of 1905 will not be lost, for, thanks to their useful co-operation, the two federations have learnt the advantages of friendly understanding and the useless struggle, caused by differences of character, will not recommence.

The National Federation, in addition to occupying itself with the development of the external relations of the institutes of agricultural co-operation, has also concerned itself with promoting the improvement of internal business. It is specially here that Haas rendered signal service.

He was never tired of proposing new objects to the Federation and succeeded in their realisation. Without entering into the matter of the whole action of the Federation, we propose to indicate briefly a few of its principal merits.

It has always counted as one of its most important objects the inspection of the documents of the societies. Through the improvements made in this service, the societies have acquired greater security and facility in the conduct of their business. It was largely due to the action of the National Federation that the law of 1889 ordered the examination of the documents of co-operative societies and made inspection compulsory. In addition, from the beginning it has given great weight to co-operative education and the instruction of members. The *German Agricultural Co-operative Press* has largely contributed, by means of all its various publications, to shed light on the problems of co-operation and to disseminate ideas and information with regard to it. Another specially precious source of instruction in agricultural co-operation and in the statistics annually collected by the Federation, a matter which Haas had quite specially at heart. Up to the present, it is the sole collection of documents which allows us to form a fairly correct idea of the economic conditions rendered by the German agricultural co-operative societies, since official statistics do not include the work of the co-operative societies. Finally, an excellent instrument for the promotion of co-operation

is the German School of Agricultural Co-operation, founded at Darmstadt by the National Federation in 1904, which turns out yearly a large number of useful employees for the societies.

The immense work done in all other departments by the National Federation, in the thirty years that Haas was at its head, could certainly be summarised in the present article. By its researches, discussions, and decisions, the Federation has contributed to the solution of various problems of legislative, administrative, economic and social character, and has at the same time given most opportune judgments in a large number of questions affecting the internal business of the societies. Sometimes it has favoured the economic interests of the German farmers, thanks to large economic undertakings, when, in view of quite special circumstances, the resources of the central societies appeared insufficient in the territory in which their action extended and where they were called on specially to work. It is enough to mention, as an example, the foundation in 1897 of the German Farmers' Purchase Union, in which with the National Federation was associated the Central Bank of Agricultural Credit, the Farmers' League and a great number of peasants' unions; their object was to oppose to the Austro-German Union of Phosphate Factories a corresponding organization of German farmers for collective purchase of basic slag.

It was very natural that in view of his high position as head of the National Federation and his great personal prestige, Haas should have been entrusted with various other offices. In the first place, we must mention his election as president of the International League of Agricultural Co-operative Societies, which was largely his own creation. He was also president of the German Farmers' Purchase Union, of the Agricultural Co-operative Bank of the Grand Duchy of Hesse at Darmstadt, and of the National Co-operative Bank founded in 1902 by the National Federation as clearing house for a large number of affiliated societies.

Haas also played a considerable part in the field of agricultural association. The efficacy of his action was quite specially felt in his representation of the agricultural interests of his native region, the Grand Duchy of Hesse. He was first of all, as representative of the Agricultural Union of the Province of Starkenburg, member and later, after 1892, president of the executive Territorial Committee of the Agricultural Unions of the Grand Duchy of Hesse, called in 1897 Agricultural Council of the Grand Duchy of Hesse. In order to obtain more efficient representation for the farmers, Haas as member of the Upper House of Parliament of the Grand Duchy, in 1902 presented, together with a large number of other deputies, a bill which embodied the aspirations entertained since 1897 for the foundation of a Chamber of Agriculture. It is true this proposal had no success, as it was rejected by the Lower House. However, the idea was soon realized for the Government took the initiative of drafting a bill, which became law in 1905. In the first plenary meeting of the new Chamber of Agriculture (*Landwirtschaftskammer*), which took the place of the Agricultural Board (*Landwirtschaftsrat*), Haas was elected president. In this capacity, he organized the whole internal structure of the new corporation.

h may therefore from this point of view be also considered essentially his work. Haas was besides, member of the German Agricultural Council, in his capacity as representative of the agriculture of the Grand Duchy of Hesse.

Together with this varied activity in the field of professional agricultural representation, Haas also did great and successful work in Parliament. Between 1881 and 1911 he was member of the Upper House in the Grand Duchy of Hesse, of which from 1898, he had the honour of being president. On the proposal of the Agricultural Chamber he was invited to become a member of the Lower House. Between 1881 and 1911 he was also a member of the Imperial Parliament.

These numerous and important offices show the confidence enjoyed by Haas in Germany and elsewhere. Besides, in recognition of his beneficent and self-sacrificing work, he was the recipient of many distinctions. On June 8th., 1908, on the occasion of the celebration of the twenty-fifth year of the National Federation, the Grand Duke of Hesse conferred on him, the title of privy councillor; and other honours were bestowed on him by the Emperor of Germany, the Prince Regent of Bavaria, the King of Saxony and the Grand Duke of Baden. On this occasion, the German agricultural societies offered him a gift of 70,000 marks, collected for the foundation of a Wilhelm Haas Institute for the development of German agricultural co-operation. But the greatest satisfaction, which lightened the burden of his laborious life and encouraged him in his latest years, when a disease had already enfeebled his strength, was the affection and the loyal loyalty manifested towards him by the German farmers throughout his life. After his death these sentiments will still endure in the history of agricultural co-operation in Germany, as a far more energetic and persistent organizer, Haas will occupy a place of honour by the side of Raiffeisen and Schulze Delitzsch.

AUSTRIA.

REGIONAL ORGANIZATION OF AGRICULTURAL CO-OPERATIVE SOCIETIES,

by DR OTTO NEUDÖRFER, Secretary of the General Federation
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V. — AGRICULTURAL CO-OPERATION IN THE GERMAN PART OF THE TYROL.

SOURCES:

DAS LANDWIRTSCHAFTLICHE GENOSSENSCHAFTSWESEN IN EINIGEN ÖSTERREICHISCHEN LÄNDERN. Sammlung der beim II. internationalen Mitteleuropakongress 1904 statteten Referate (*Agricultural Co-operation in Certain Regions of Austria, Collection of Reports Presented at the 2nd. International Congress of the Middle Classes in 1904*).
LANDWIRTSCHAFTLICHES GENOSSENSCHAFTSBLATT FÜR DEUTSCHTIROL, 1900-1912. (*Journal of Agricultural Co-operation for the German Part of the Tyrol, 1900-1912*).
JAHRESBERICHTE DES ANWALTSCHAFTSVERBANDES DER ZENTRAKKASSE UND DER VEREINE IN INNSBRUCK UND BOZEN (*Yearly Reports of the Central Federation, of the Central Association and of the Innsbruck and Bozen Federations*).
ÖSTERREICHISCHE LANDWIRTSCHAFTLICHE GENOSSENSCHAFTSPRESSE, 1904-1912 (*Journal of Agricultural Co-operation in Austria, 1904-1912*).

When dealing with agricultural co-operation in the Tyrol, we must consider separately the German portion, including the northern region (between Innsbruck and Bozen) and the Italian portion in the South, since agricultural co-operation has developed quite independently in the two regions. But also considerable differences are presented between the organization of co-operation in the German Tyrol and in the other provinces. In fact, in the latter, from the very beginning, attempt was made to run in a single central system, if possible, all the various branches of co-operation, while in the Tyrol we find a marked decentralization and dissociation, as a special organization has been instituted for every branch of agricultural co-operation; in addition to this, in the German region both the North and South followed different courses. This naturally could not serve the general advance of co-operation. The losses through this dissipation of energy, rendered more important yet by secessions from the federation of the Raiffeisen Banks, led to various efforts after union, which, however, have as yet had no lasting success. However, the work continues.

now agricultural co-operation in the German Tyrol is in process of formation and the final result cannot as yet be foreseen.

About 1885 there was a more and more general complaint in Tyrol of increasing impoverishment of the rural population, the increasing use of money from the country, invested in preference in the urban institutions and returning to the country in very much smaller quantities under the form of mortgage loans. This state of things incited the influential persons to seek a remedy for the evil and to bring the money to its natural channels. In 1886 the *Tiroler landwirtschaftlichen Blätter* (these Agricultural Paper), the organ of the German section of the Provincial Board of Agriculture, published a series of articles to show the usefulness of the Raiffeisen banks and the results obtained by them in other countries especially in Germany. This aroused interest and after long discussion the Provincial Board of Agriculture published an elaborate programme model rules with the object of promoting the rapid foundation of numerous Raiffeisen banks, called "Casse rurali", (Rural Banks) in the Italian Spar- und Darlehenskasse" (Loan and Savings Banks) in the German parts of Austria.

On December 2nd., 1888 the first rural bank was founded at Oetzthal, five others were founded in the following year. In 1890, 20 were founded; in 1891, 27.

It is to be observed that in the German Tyrol, in contrast to what happened elsewhere, the banks were organized independently, without direct participation of the provincial administration. The latter effected its intervention to rural support and to the concession of small loans to meet the initial expenditure. The movement once started it received efficient moral support in the Department of Agriculture, which in the years 1899 and 1900 began to exert an energetic action in behalf of the movement. This action included the elaboration of a programme for each province which, taking account of the development already attained by co-operation, was to extend it further in accordance with a systematic plan; its execution was entrusted to the competent authorities. According to the programme, two *advisory commissions* were established in connection with two sections (German and Italian) of the Provincial Board of Agriculture, composed of representatives of the respective sections of the Council, of the Provincial Junta and the Provincial Mortgage Institute. The duty of these commissions was to give their opinion, and act as advisory bodies for the respective sections of the Council, especially in regard to subventions. In connection with the Provincial Council, there was also organized, provisionally, a Committee for the Rural Banks, principally for the purpose of inspection of the co-operative societies, until a special Federation might be organized for the purpose. Very soon indeed the necessity was felt for the organization of the co-operative societies already existing and so on April 1st., 1891 a Federation was formed at Brixen for the defence of co-operative societies and especially for the inspection of the affiliated co-operative societies. As, however, it was soon manifest that the persons to whom the duties of the societies were entrusted, the bookkeepers etc., had not sufficient

instruction for the discharge of their office, the Federation in 1893 organized regular courses of bookkeeping which have proved very useful. With care taken to promote the advance of the Rural Banks by means of regular inspection and the diffusion of instruction in bookkeeping, the Federation in concert with the Provincial Council, undertook actively to promote the foundation of new Banks. Much was done by means of itinerant teaching and the organization of lectures. When a society was founded, almost always the Federation sent one of its officers to the spot to give aid and advice, giving its assistance especially in the relations between the society and authorities. As a result of this action of the Federation very soon the whole of German Tyrol was covered by a thick network of rural banks. The following data show the annual increase in the banks. In 1892 there were 189, 94; in 1894, 121; in 1895, 132; in 1896, 145; in 1897, 164; in 1898, 168; in 1899, 180; in 1900, 195; in 1901, 205; in 1902, 217; in 1903, 225; in 1904, 236; in 1905, 246; in 1906, 255; in 1907, 267; in 1908, 275; in 1909, 278. At the end of 1911 there were 288 rural banks in German Tyrol.

The following table shows the increase in the business done by the banks in the ten years 1899-1909.

Year	Members	Deposits	Loans Granted	Loans in Current Account to Members and Non-Members	Total Business Done
		Crowns	Crowns	Crowns	Crowns
1899	14,415	16,971,044	9,230,860	6,983,707	33,008
1900	16,842	20,382,557	11,089,807	7,994,936	38,987
1901	17,175	22,712,467	12,953,179	9,083,781	42,659
1902	18,452	25,828,533	15,515,113	10,141,598	46,697
1903	19,580	30,987,631	16,643,921	12,991,972	53,672
1904	20,698	35,410,412	18,488,161	15,912,346	63,052
1905	21,737	41,109,021	20,213,887	19,139,577	69,530
1906	22,835	46,048,878	22,242,649	22,877,057	77,361
1907	23,995	51,095,203	25,213,920	24,807,774	83,910
1908	24,992	55,337,133	28,466,315	26,847,675	90,814
1909	25,926	60,245,400	31,637,167	27,968,287	97,401

With the object of establishing an equilibrium among the various banks in relation to supply of and demand for capital, the *Central Bank of the Rural Banks of German Tyrol* was founded in 1894, under the form of a registered co-operative society with limited liability. Most of the existing societies were affiliated to it. Some years later the Federation of which we have

is united with it, so that in addition to its work as a Central Bank, is entrusted also with the representation and defence of co-operative interests as well as with the work of inspection. The increase in the amount of deposits in the Central Bank and of the granted by it since 1896 has been as follows :

Years	Deposits	Loans
1896	CROWNS. 414,458	CROWNS. 17,317
1901	" 395,537	" 345,196
1906	" 2,149,208	" 739,119
1911	" 12,925,031	" 3,272,379

In 1911 the total business done by the Central Bank with the 285 banks affiliated to it amounted to 17,229,924 crs.

As the Bank had large funds at its disposal, of which the affiliated co-operative societies had no need for their own requirements, and as a link wanting between the Central Bank and the agricultural circles outside the affiliated banks, the former was obliged to invest these funds in mortgages and purchase of securities, or deposit them in the large banks; in this way considerable sums of money were withdrawn from agriculture.

This investment in securities had further the unfortunate effect that in consequence of a fall in value of all its securities, the bank suffered considerable losses, although only in its books. This had an unfavourable effect on its balance sheet; it is to be observed that many other Austrian Federal banks suffered in the same way as regards the money invested by them in securities.

The *organisation of the collective purchase of goods* was also undertaken early. The first beginnings go back to a date when as yet there was no Provincial Board of Agriculture; later on the Board occupied itself in this matter in behalf of its members, urging on the work more and more. In 1903 the "Federation of the District Agricultural Consortiums of South Tyrol" was founded at Botzen and in 1904 the "Federation of District Agricultural Consortiums" was founded at Innsbruck, both of them organized as associations. The Federations serve as central warehouses for the purchase for the Agricultural Consortiums of North and South Tyrol respectively and are managed by a Committee selected by the Consortiums from among their members. Although the work of these associations based on the participation of the District Agricultural Consortiums, was on the whole satisfactory, it cannot be denied that the Consortiums engaged in collective purchase had assumed an office that was not legally theirs and for which in fact they had not the necessary means. In fact, being constituted as associations, they had neither a solid basis of credit. In view of this state of things, the Provincial Board of Agriculture in 1909 declared itself in favour of the institution of a purchase organization of co-operative character with a thick network of local co-operative

societies and two central warehouses for purchase, one at Innsbruck and one at Botzen. Rules were prepared for the co-operative purchase societies and those for the rural banks were amplified so as to render it possible for these latter to occupy themselves also with the purchase of goods. But the progress was very slow and only thanks to the harmonious co-operation of all the competent bodies could a sufficient number of rural banks be prevailed on to occupy themselves with the purchase of goods. We must specially remark the action of the Department of Agriculture which, having in 1899 prepared a programme for the encouragement of the development of agricultural co-operation in Tyrol, did its utmost to get it applied. So it became possible in 1908 to form two federations as co-operative limited liability societies, one at Innsbruck and one at Botzen. To these were transferred the duties and the capital of the two Federations dissolved. In order to facilitate the transfer and to produce no disturbance, it was made possible for the district agricultural consortiums to enter into negotiations for purposes of collective purchase with the Federations, which in the following years showed very great activity. Yet it was found that the co-existence of two central co-operative purchase societies in a comparatively limited area did not contribute to the desired result. Still the success of both Federations has been considerable.

The *Federation of Agricultural Co-operative Societies of North German Tyrol at Innsbruck* had, at the end of 1911, as members, 38 Rural Banks which were at the same time affiliated to the Central Society and 23 district agricultural consortiums. In 1911 the total business done by the Federation was as under:

Chemical Manure, 335 1/2 trucks for a total value of crowns	269,439.39
Cattle Foods 88 1/2 " " " "	224,075.07
Seeds " " " "	32,384.07
Machinery " " " "	43,439.88
Various goods, straw, cement, tobacco extract, copper sulphate, etc.).	1,663.20
Total . . . crowns	571,001.61

The *Federation of the Agricultural Co-operative Societies of South German Tyrol at Botzen*, at the end of 1911, included 23 rural banks, 8 of which were at the same time affiliated to the Central Banks, 14 societies of various character and a central corporation, namely, the Federation of the Co-operative Wine Societies of South German Tyrol at Botzen of which we shall speak hereafter: altogether 38 co-operative societies.

The total purchase and sale business done by it in the working year 1-1912, closing on June 30th., 1912, was as follows :

Chemical Manures . Kg. 248.250 for the amount of crowns	16,264.45
Phosphate of Copper " 600.000 " " " " "	348,000.00
Phosphur " 224.125 " " " " "	59,034.65
Chemical Manure for	
Spring " 1.145.000 " " " " "	160,443.41
Machinery " " " " " "	66,950 —
Rain (specially oats	
for fodder and	
maize) " 470.180 " " " " "	180,470.61
Other farm requi-	
sites and articles	
of consumption	
(cattle foods, to-	
bacco extract). " " " " " "	122,972.06
Total crowns	872,135.18

As everywhere else so also in the German Tyrol the *Co-operative Societies for Production and Sale* have developed very slowly, more slowly than in any other kind of co-operative societies. There have existed in Tyrol from ancient times collective Alpine dairies, but these are based on verbal agreement or written contracts of private law, and are in no case co-operative societies in the legal sense. The registered *co-operative dairies* were till recently very few; only quite lately have they multiplied. Now in German Tyrol there are thirty of them. An attempt was made to unite them in a single organization; but without success. The "Central Tyrolean Dairy", founded in 1913, had to dissolve after a short but very brilliant period of action.

Of the co-operative societies for production, the wine societies are the most important, both in regard to the cost of their instalment, and the value of their production. The first co-operative wine society was founded in 1893; at present there are 16 with a total number of 831 members. All these co-operative societies are based on the principle of the unlimited liability of members and their sphere of action is limited as a rule to the territory of the commune. The members are obliged to forward their must to the co-operative society which pays them a certain amount on account for the quantity supplied; this amount is fixed every year by the Board of Management of the Council of Supervision. For the first 10 years 5 % of the amount

is kept back as the members' contribution. After payment into the reserve fund of the proportion established, any net proceeds are distributed among the members as balance of their account for the produce supplied. The co-operative wine societies had at first to struggle against various difficulties, which were overcome with the help of the Minister of Agriculture. Yet the Department only granted subventions on condition of the rigorous application of the principles imposed by it in respect to the management of the society and the financial basis, constituted in the first place by members' contributions; so now the co-operative wine societies are working successfully. The complete reorganization of the administrative and technical work of these societies is especially to be dated from the constitution of the *Federation of the Co-operative Wine Societies of the South German Tyrol at Bozen* (a registered limited liability co-operative society which began working on July 1st., 1903. The federation has introduced a uniform system of book keeping in all the co-operative wine societies under its control; in addition, it examines the annual financial statements and instructs and supervises the staff engaged in technical work.

It lends its assistance also to promote the sale of the wine of the associated co-operative societies and, every year, organizes in concert with the Federation of Agricultural Co-operative Societies of the South German Tyrol a wine-market, giving the consumers the possibility of becoming acquainted, by means of tasting, with the genuine wines of the Tyrol and of coming into direct contact with the producers.

The following table shows the number of hectolitres of wine grapes, etc. the co-operative wine societies had to dispose of in the year 1911-12, and the number stored and sold.

Name of the Co-operative Society	Produce in Warehouse for Sale on June 30th, or July 31st, 1911	Grapes Crushed and Stored in Autumn 1911	Sold as Grapes or Must	Must Stored in Autumn 1911	Wine ready for Sale, of which 64 % can be Utilised, together with the proportion of Wine Bought for Mixing.	Quantity in Warehouse for Sale on June 30th, or July 31st, 1912	Quantity of Wine Sold in 1911-1912
Aligund	670	2,540	—	2,540	1,733	864	1,539
Andrian	2,711	3,720	—	3,720	2,418	2,187	2,942
Auer	458	3,136	—	3,136	2,038	260	2,236
Bauernk. Caldaro	690	2,188	384	1,804	1,249	418	1,521
Brangart	827	1,593	107	1,486	1,227	304	1,750
Bries	3,333	6,797	2,023	4,774	3,103	1,335	5,101
Co-operative Society, Caldaro	2,565	12,681	2,858	9,823	6,385	2,077	6,873
Caldaro	773	7,138	2,145	4,993	3,245	1,250	2,768
Curtatsch	422	2,088	—	2,088	1,363	857	928
Eargeld	395	1,124	96	1,028	668	361	702
Faßling	688	2,182	—	2,182	1,462	400	1,750
Gna	1,121	3,173	—	3,173	2,133	1,453	1,801
H. Michel	2,828	4,236	135	4,101	2,880	2,333	3,375
H. Paulus	1,556	3,320	—	3,320	2,652	1,142	3,066
Jerlan	1,450	2,554	—	2,554	1,660	1,162	1,948
Thumlin	1,229	7,000	870	6,130	4,175	1,555	3,849
Total	21,716	65,470	8,618	56,852	38,391	17,958	42,149

The sale of the co-operative societies' wines by the Federation was very difficult last year on account of the high price of wine and also the small production. Especially, in Switzerland, where the Federation has an agent of its own, the sales decreased considerably. Between July 1st., 1911 and the 30th., 1912 the Federation sold the following amounts.

1) Wine	122,500 litres for crowns	82,455.84
2) Crushed Grapes and Must.	26,369 " " "	9,754.44
3) Brandy.	293 " " "	368.80

Total . . 179,162 litres crowns 92,579.08

This year 2,999 hectolitres less of wine were sold than last year; the cause of this was exclusively the changed conditions of the market. But the decrease in the sales suits the societies, since the quantity

they have for sale is hardly enough to satisfy the demand of their permanent customers.

The account we have given shows that agricultural co-operation in the German Tyrol in spite of the division of the organization, has been considerably successful. The manifold disadvantages of a dispersion of forces, however, has shown the inevitable necessity of reorganization. In the first place it is necessary to restore to agriculture the considerable surplus amounts of money now lost to it and to prevent the farmers' money from going, through the rural and central banks, to feed the large banking undertakings on a capitalistic basis, so that the farmers perhaps a little later have in their turn to borrow it at high interest for the installation of a wine society or some other co-operative society, or more particularly for the purchase of farm requisites. The savings of agriculture should return to benefit it by bringing banking into relation with trade, that is co-operative credit into relation with co-operative purchase and sale. To attain this end, of course, the centralisation of co-operation in a single organization is necessary. A reorganization in this sense has also been attempted, by the transformation of the Central Bank of the Rural Banks of German Tyrol into an organization to serve for every form of co-operation, while it was first founded only for the advantage of the rural banks. This was accomplished on April 2nd., 1912 by means of an amendment introduced into the rules. The new organization is called "*Federation of Rural Banks and Agricultural Co-operative Societies of the German Tyrol, registered limited liability Co-operative Society at Innsbruck*" and its office is to represent the societies and take care of their collective interests, to act as clearing house for its affiliated co-operative societies and to undertake their inspection; but in addition to these offices, which were also discharged by the Central Bank, the Federation must specially occupy itself with the collective purchase of farm requisites and the sale of agricultural produce. Unfortunately, it has not succeeded in inducing all the organizations of the German Tyrol to join with it. Only the Federation of Agricultural Co-operative Societies of North German Tyrol has united with it, while the Botzen Federation and the Federation of Co-operative Wine Societies remain aloof. This already from the start has closed the way to the full success of the desired reorganization. Notwithstanding this the new Central Federation might even have done useful work if a split had not occurred in its own body. In fact, a great many Rural Banks have associated in a new Federation for Inspection, under the protection of the "Tyrolean Peasants' Bank", and the withdrawal of other banks from the Central Federation is imminent. All the organizations interested together with the Agricultural Department, are exerting themselves to put a stop to this deplorable state of things and it is hoped, that by their efforts, the way will be prepared for a more suitable and more lasting organization of agricultural organization in the German Tyrol, since the present one, in spite of the financial results obtained, presents a very sorry picture.

BELGIUM

THE PROFESSIONAL, UNIONS AND LEGALLY CONSTITUTED CO-OPERATIVE SOCIETIES IN 1912.

We have several times had occasion to deal with the form and character of agricultural associations in Belgium, as well as with the laws regulating their organizations in previous articles, and even recently, (1) when dealing with the last official statistics of these associations, for 1910, published by the Department of Agriculture and Public Works.

We shall now give some information on the syndicate and co-operative movements in Belgium in 1912, availing ourselves for the purpose of the data collected by the Belgian Labour Office (2).

§ I THE PROFESSIONAL UNIONS AND THEIR FEDERATIONS.

The number of Unions legally constituted in 1912 was 440. This figure, as seen from the following table, was never reached in previous years :

Years	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912
Legally Recognised Unions	103	108	134	176	177	170	149	268	434	319	282	282	379	440

(1) See *Bulletin of Economic and Social Intelligence* for the Months of April and May 1913, pages 19 and 36, respectively.

(2) See "Revue de Travail", published by the Belgian Labour Office (Department of Industry and Labour) Nos. 4 and 6, February 25th. and March 31st., 1913.

Among the different provinces, East Flanders comes first as regards the number of unions recognised during 1912 (92). Then follow the provinces of Antwerp (86), Brabant (82), West Flanders (74), Namur (27), Liège (26), Limbourg (20) Hainaut (18) and Luxembourg (15).

With regard to the occupation of their members the unions are divided as follows: unions of farmers (272), labourers (97), masters (35), members of the liberal professions (14), civil servants (11), merchants (8); miscellaneous unions (3).

At the end of 1912 there were altogether 3,056 members. In previous years their numbers were as follows: 1898, 9; 1899, 112; 1900, 220; 1901, 354; 1902, 526; 1903, 694; 1904, 853; 1905, 981; 1906, 1,234; 1907, 1,637; 1908, 1,901; 1909, 2,124; 1910, 2,359; 1911, 2,686.

Geographically, these unions are distributed as follows: Brabant (624), West Flanders (588), East Flanders (579), Luxembourg (325), Antwerp (281), Namur (216), Liège (198), Hainaut (167), Limbourg (78).

Those with most members in 1912 were the farmers' unions (2,138), next the labourers' unions (642), then the masters' (89), the unions of the liberal professions (84), the merchants' (46), civil servants' (32) and those composed of various elements (31).

In the year six federations were formed, five of them agricultural in character.

The general situation of the professional unions and their federations on December 31st., 1912 is shown in the following table:

Provinces	Number of Communes in which there are Unions.	Classes of Unions										Federations of Unions				Total Number of Unions and				Number of Unions and Federations recognised in:					
		Industrial Unions		Unions of Members of Liberal Professions		Dealers' Unions		Miscellaneous Unions		Agricultural Unions				Masters' Unions	of Members of the Liberal Professions	Workmen's Unions	Total								
		Masters' Unions	Workmen's Unions	Masters' and Workmen's Unions	Civil Servants' Unions	Unions of Members of Liberal Professions	Dealers' Unions	Miscellaneous Unions	For General Purposes	Dairy	Livestock Improvement	Poultry Improvement	Beckoning					Viticultural	Horticultural		Horticultural and Beckoning				
Antwerp	93	9	165	1	6	7	6	1	9	—	19	7	48	—	3	—	1	—	—	6	288	14	13	17	87
Brabant	203	14	102	4	14	32	17	7	177	—	188	37	22	1	9	—	11	—	3	1	639	78	64	72	82
West Flanders	200	11	73	3	2	10	1	1	143	—	1290	33	9	—	10	1	17	—	—	—	605	43	61	57	75
East Flanders	188	33	118	—	1	6	6	1	121	—	247	29	6	—	11	—	13	1	—	4	597	48	71	143	94
Hainaut	99	12	52	8	4	10	6	1	32	1	27	9	3	—	2	—	1	—	—	—	168	37	11	28	19
Liège	98	4	88	—	4	12	10	2	67	—	1	—	8	—	2	—	1	—	—	3	202	46	12	26	26
Limbourg	46	4	28	—	—	2	—	—	22	—	4	—	—	18	—	—	1	—	—	—	79	7	11	6	21
Luxembourg	172	—	5	1	—	3	—	—	274	—	—	37	4	—	1	—	2	—	—	—	327	10	23	9	15
Namur	165	2	11	1	1	2	—	—	161	—	22	2	9	—	5	—	2	—	—	—	218	8	22	27	27
Total	1,264	89	642	18	32	84	46	13	1,006	2	798	154	127	1	43	1	49	1	3	14	3,123	291	288	385	446

At the above date there were therefore 49 federations of farmers' unions, 14 federations of workmen's unions, 3 federations of unions of members of the liberal professions and one federation of masters' unions.

§ 2. CO-OPERATIVE SOCIETIES.

In 1912 the co-operative movement was not less active than the syndicalist movement we have just dealt with. In fact, 233 societies were legally constituted which is more than in any previous year, and 28 more than in 1911. The new societies are divided as follows :

Province	Distributive Societies	Pharmacies	Masters' Societies for Production	Workmen's Societies for Production	Transport Societies	Savings and Credit Societies	Dwelling House Societies	Societies for Purchase of Raw Material	Insurance Societies	Various Societies	Agricultural Societies	Total
Antwerp	—	—	3	1	2	1	—	1	1	4	5	18
Brabant	3	—	5	—	—	2	2	1	3	8	24	48
West Flanders	4	—	2	—	—	—	—	—	2	6	18	32
East Flanders	1	—	5	—	—	—	—	2	—	5	9	22
Hainaut	12	—	—	—	—	—	—	—	1	7	11	31
Liège	8	2	2	—	—	—	—	3	1	9	12	37
Limbourg	—	—	—	1	—	1	—	1	—	—	8	11
Luxembourg	1	—	1	—	—	—	—	2	—	2	17	23
Namur	5	—	1	—	—	—	—	1	1	2	1	11
Total	34	2	19	2	2	4	2	11	9	43	105	233

The co-operative distributive societies have generally for their object⁽¹⁾ the purchase and sale of every kind of article in common use. Some however confine themselves to one article. Thus we find : four breweries, four bakeries, three slaughter houses, two societies for purchase and sale of butter and one for purchase and sale of fuel.

(1) See in this connection the article published in the *Bulletin of Economic and Social Intelligence*, for November-December, 1911, (Year II, Nos. 11 and 12), pp. 45 et seqq.

The two workmen's societies for production, started in 1912, are connected, the first with printing, the second with the exploitation of marl pits.

Among the co-operative societies for the collective purchase of raw material and machinery and sale of goods manufactured by their members, may mention a grocers' society, one of builders in reinforced concrete, pharmacists' and a tailors' society.

As we see in the above table, the largest number of societies was founded in Brabant. Liège came next with 37, then West Flanders (32), Hainaut (31)

These are the figures for 1912. At the end of that year the total number of operative societies, exclusive of the agricultural societies, was 1,439 against 1,224 in 1911. In the following table we give information on same point for every five years' period, beginning with 1875.

Co-operative Societies (exclusive of the Agricultural Societies) in:

Province	1875	1880	1885	1890	1895	1900	1905	1910	1911	1912
Antwerp	3	5	12	20	27	53	90	126	139	153
Brabant	7	11	14	49	62	100	183	238	262	302
West Flanders	2	2	—	—	5	23	60	109	122	153
East Flanders	11	11	12	20	26	44	57	75	81	103
Hainaut	7	10	14	58	78	123	176	206	222	250
Liège	5	9	18	49	90	177	206	247	262	297
Limbourg	—	1	1	1	2	3	8	16	18	29
Luxembourg	—	—	—	1	1	22	32	46	44	67
Namur	3	4	5	8	25	63	65	69	74	85
Total . . .	38	53	76	206	316	608	877	1,132	1,224	1,439

The progress of the non-agricultural co-operative societies in Belgium therefore been regular. Let us add a special table to show that of the operative distributive societies.

Co-operative Distributive Societies in:

Province	1875	1880	1885	1890	1895	1900	1905	1910	1911	1912
Antwerp	1	1	1	4	3	10	15	15	17	1
Brabant	1	2	2	14	15	19	27	23	25	1
West Flanders	—	—	—	—	3	12	23	33	39	1
East Flanders	2	2	3	11	14	21	29	33	34	1
Hainaut	—	1	6	43	63	91	122	128	137	1
Liège	1	3	10	37	74	122	123	118	123	1
Limbourg	—	—	—	—	—	1	2	1	2	1
Luxembourg	—	—	—	1	1	19	24	32	31	1
Namur	—	—	1	1	17	53	55	53	58	1
Total	5	9	23	115	190	348	420	436	466	8

The most important group of the non-agricultural societies is with any doubt that of the co-operative distributive societies, original as we know, in imitation of the wonderful British movement, inaugurated by the *Rochdale Equitable Pioneers*.

According to official information, in 1908, 373 of these societies did total business of 68,310,215; 176 or 46.4 % a business of less than 50,000 frs., 140 (37.3 %) a business of between 50 and 250,000 l. 45 (12.1 %) a business of between 250,000 and 1,000,000 frs., 12 societies finally, (3.4 %) a business of over a million francs.

24 MISCELLANEOUS NEWS.

I. — THE CONSTITUTION OF A NATIONAL DAIRY UNION IN BELGIUM
On the initiative and under the patronage of the *National Dairy Society*, the "National Union of Belgian Dairies" was founded at Brussels on the 4th. of last June. Its object is to put a stop to the adulteration of milk and dairy produce, especially butter, which has for some time been in use in certain Belgian dairies, to the detriment of those inspired by the state

ciples of commercial honesty. The former, in fact, by adulterating their produce, are able to sell it cheap, and win away the customers of the others who are thus the victims of their dishonest rivals.

The new Union therefore proposes;

1st. to guarantee the purity of the produce of its affiliated dairies;
2nd. to co-operate in the progress and improvement of their industry;

3rd. to protect their interests.

With this object, it will institute in its own body an office for control and inspection to supervise the federated dairies, give them technical advice and ascertain the purity of their produce. This will be attested by a speckmark, of which the Federation will have the exclusive use, and which the dairies affiliated to it may avail themselves of for their produce. The better to attain its object, the Federation may organize courses of technical instruction, congresses, shows etc.

Provision will be made for the costs of control and inspection by exacting from the full members, who may be managers, administrators or proprietors of dairies, a subscription in proportion to the amount of their production. This subscription will at first be fixed at 50 centimes per 100 kgs. of butter produced.

The fund will be increased by honorary members' subscriptions, donations, Government subsidies etc.

The first time a dairy is clearly found guilty of fraudulent practice, it will at once be expelled from the Union.

The Union will be managed by a committee of nine members, appointed for four years.

On June 14th, the affiliated dairies were 109. Their total production amounted to four or five million kilogrammes of butter.

(Summarized from *Industrie Laitière Belge*, Brussels, No. 12, June 14th., 1913).

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2.—A CO-OPERATIVE SOCIETY FOR THE CULTIVATION OF WASTE LAND.

In the number of this Bulletin for February last (pp. 101 et seqq.), while examining the problem of the increasing cost of food and in particular of meat, in Belgium, we saw that the special Butchers' Meat Commission, instituted by Ministerial Decree of November 24th., 1911 at the Department of Agriculture and Public Works, with the duty of seeking for improvements to be introduced to limit the effect of the crisis, proposed, amongst other measures, intensive cultivation and the transformation of the moors and heaths in various parts of the country into arable land and meadows. The Commission further proposed the grant of subsidies, so as to encourage undertakings for the purpose, on the part of public and private institutions, for example, the foundation of a society like the *Heideontginningsschappij*, in Holland, to undertake on a large scale the clearing and bringing under cultivation of waste land, for the account of communes or private persons, under the supervision and guarantee of the State.

In response to this proposal, a co-operative society ("Société de défrichements") was founded recently at Louvain, for the purpose of carrying out works of clearing and improving the soil, whether for purposes of forestry, agriculture, horticulture, livestock improvement or pisciculture. In accordance with its rules, published in the *Moniteur Belge* of April 15th, 1913 (nos. 104-105), the Society proposes to attain its end by the following means:

(a) placing itself at the disposal of those concerned (private persons or public administrations) for the study and carrying out of works of clearing the soil and of land reclamation, by means of the plantation of trees and establishment of pastures etc.

(b) facilitating the relations between the small farmers and the landowners or the proprietors, by renting, purchase or sale of uncultivated or improved farms; promoting or facilitating for small farmers the construction of buildings in the country;

(c) letting out or hiring machinery, implements and other requisites;

(d) engaging on its own account or for others in trade in forestry agricultural produce; occupying itself in the purchase, sale, selection and production of livestock, fish, seeds and plants;

(e) carrying on credit and banking business to the advantage of institutions above referred to.

The society is constituted for a term of twenty years. Its capital is formed by means of subscriptions of 50 francs; this small subscription will allow of all concerned, both large and small landholders, becoming members of it.

The society will be managed by a board of management, composed of a number of members varying from 5 to 15, elected for six years at the general meeting of members.

It will elect from among its members a president and two vice-presidents and will meet whenever necessary.

The work of the society will be subject to the supervision of one or more commissioners who, may be members or not, elected for one year at the general meeting, but eligible for re-election.

The meeting will be called once a year in the usual way and specially to examine and pass the balance sheet and profit and loss account.

From the net annual profits of the society 3 % must be deducted and placed to the reserve fund; 4 ½ % will be paid to members; the balance will half be paid over to the members in proportion to the works carried out for them; the other half will be placed to the special reserve fund, which by vote of the board of management may be used to encourage associations and kindred undertakings of public utility.

3. PUBLICATIONS OF RECENT DATE RELATING TO CO-OPERATION AND ASSOCIATION IN BELGIUM.

OFFICIAL PUBLICATIONS:

POSÉ STATISTIQUE DE LA SITUATION DES ASSOCIATIONS D'INTÉRÊT AGRICOLE PENDANT L'ANNÉE 1910 (*Statistical Report on the Situation of the Associations connected with Agriculture for the Year 1910*) Department of Agriculture and Public Works, Odry-Montunens, 1913.

SOCIÉTÉS COOPÉRATIVES EN 1912 (*Co-operative Societies in 1912*). "Revue du Travail", Organ of the Belgian Labour Office. Brussels, No. 6. March 31st., 1913.

RECE DES SOCIÉTÉS MUTUALISTES RECONNUES EXISTANT AU 31 DÉCEMBRE 1912. (*Number of Recognised Mutualist Societies on December 31st., 1912*). "Revue du Travail", Organ of the Belgian Labour Office. Brussels. No. 8. April 30th., 1913.

ATION EN 1912 DES UNIONS PROFESSIONNELLES LEGALEMENT RECONNUES (*Situation of the Legally Recognised Professional Unions in 1912*). "Revue du Travail", Organ of the Belgian Labour Office. Brussels. No. 4. February 28th., 1913.

OTHER PUBLICATIONS:

ANNUAIRE DES COOPÉRATEURS BELGES POUR 1913 (*Belgian Co-operators' Almanac for 1913*). Brussels, Bertrand, 1913.

ANNUAIRE DE LA COOPÉRATION OUVRIÈRE BELGE (*Yearbook of Belgian Labourers' Co-operation*), prepared by Victor Servy and published by the Co-operative Office. Antwerp, 1913.

FRANCE.

AGRICULTURAL CO-OPERATION IN FRANCE (1)

A. — CO-OPERATIVE SOCIETIES FOR PRODUCTION, TRANSFORMATION PRESERVATION AND SALE (*Continued*).

IV. — WINE SOCIETIES.

Viticulture has profited largely by the application of the 1906 law. Cruelly tried by the terrible crisis that caused so much damage among the French vineyards, the viticulturists suddenly found themselves obliged to modify their methods of farming. It was necessary to reduce to the utmost the cost of labour, without, however, reducing the production; but it was above all indispensable for the producers to take their place directly and systematically on the markets, in order to regulate prices and prevent speculators causing them to rise and fall artificially, without justification, to the detriment both of the consumers and wine farmers.

One of the causes of the evil was undoubtedly the economic isolation of the small producers. Too often without accurate information as to the total amount of the viticultural production, each farmer sold his crop at the moment he considered best or when he was compelled to by need of money if he were not compelled, through want of cellar accommodation or want of vats, to part with all or a portion of his harvest immediately after the vintage, however low the price offered might be.

Such a situation inevitably led to considerable variations in the price of wines of similar or of the same quality, according as the market was unsupplied while the cellars were filled, or as, in moments of panic, increased by their necessities, the market was suddenly invaded by producers anxious or obliged to sell their wines.

(1) Continuation of the Study forwarded by the French Government to the International Institute of Agriculture, of which the first two portions were published in the *Bulletin of Economic and Social Intelligence* in April and June, 1913.

The wine farmers are to be praised for having early understood that association they could terminate a situation so hurtful to themselves. It was in fact impossible for the small landholders or wine farmers to enter into relations with the dealers and consumers with profit to themselves. It was necessary to offer the dealer very large quantities of wine so that he might have the smallest expense in keeping it and transporting it and might spend as little time as possible. With regard to the consumer, he had to be enabled to buy, or at least purchase had to be made easy for him by the establishment of bars near at hand. Association was necessary for the small producers, and expenditure of money was also indispensable in order to start the new organization. The 1906 law excited, facilitated and multiplied these efforts, and State assistance was particularly opportune in regions suffering from such serious economic difficulties. The results had not long to be waited for. In 1908, 7 co-operative wine societies applied to the State for advances. By the end of 1912, 43 had received 1,753,667 francs in advances from the State.

Almost all these societies were formed after the coming into force of the law, and thanks to it. The results have been felicitous and multifarious and the co-operators delight in pointing them out. The associations of small producers have facilitated the good preparation and preservation of wines. The co-operative societies have erected large sheds for storing wine, built cement cellars and bought improved machinery which has increased the yield, while diminishing the cost of labour. Artisans, and agricultural labourers have thus been enabled to purchase small holdings, without the need of building cellars or of buying the implements required for winemaking and without the anxiety of having to seek for purchasers for their wine at the very moment of the harvest. Thanks to their agents, and to the bars and the reputation of their produce, the societies have made certain and regular sale of wine or grapes possible, produced commercial currents, and forwarded their produce to our colonies and abroad. They have also assisted in the suppression of adulteration, executed works of collective interest, revived the confidence of the wine farmers, and strengthened their solidarity.

Name of the Society	Date of Establishment	Duration of Agreement	Form	Paid up Capital
Co-operative Society of Arbois (Jura)	Jan. 4th., 1906	Unlimited	Civil	50
— "Les Vignerons de Bassan" at Bassan, Hérault	Nov. 8th., 1908	30 years	Commercial	100
— "L'Emancipatrice" at Besse (Var)	Jan. 3rd., 1910	99 "	Civil	277
— of Bompas (Pyrenées-Orientales)	August 31st., 1909	25 "	do.	52.50
— of Bras (Var)	March 10th., 1909	Unlimited	Commercial	14.00
— of Bruc, Auric (Var)	March 28th., 1909	do.	Civil	10.00
— "La Matavonienne" of Cabasse (Var)	Feb. 11th., 1912	40 years	do.	24.00
— of Cabrières d'Aignes (Vaucluse)	March 6th., 1909	Unlimited	do.	2.00
— of Camps (Var)	May 9th., 1906	do.	Commercial	11.50
— "La Carpoise" at Carcès (Var)	Feb. 5th., 1910	do.	do.	26.00
— "La Laborieuse de Carnoules" (Var)	Jan. 1st., 1912	40 years	Civil	14.00
— of Cogolin (Var)	Feb. 11th., 1912	30 "	do.	19.00
— of Colanbiers (Hérault)	Oct. 25th., 1907	50 "	Commercial	10.00
— Cuersoise, at Cuers (Var)	Dec. 3rd., 1911	30 "	Civil	20.00
— of Espira de l'Agly (Pyr. Orientales)	May 22nd., 1910	25 "	do.	41.50
— of Estagel (Pyrenées Orientales)	Feb. 14th., 1910	30 "	do.	40.00
— of Flassans (Var)	Nov. 30th., 1911	99 "	do.	15.00
— of Frontignan (Hérault)	April 15th., 1910	30 "	Commercial	40.00
— of Gallac (Tarn)	July 17th., 1903	99 "	do.	100.00
— of La Garde (Var)	May 31st., 1908	99 "	do.	10.00
— of Ginasservis (Var)	April 18th., 1908	Unlimited	Civil	5.00
— for Sale of Wines of the Gironde	Dec. 5th., 1908	25 years	do.	11.00
— of the Haute Garonne, at Toulouse	Jan. 5th., 1905	Unlimited	do.	50.00
— "La Vigne" of Lansagues (Hérault)	Feb. 15th., 1909	do.	do.	8.00
— of Lempdes (Puy-de-Dôme)	Feb. 20th., 1909	25 years	do.	24.00
— of Lezignan (Aude)	April 11th., 1909	Unlimited	Commercial	100.00

Number of Hectares Under Cultiv- ation	Loans Granted					Period	Rate	Intermediary Regional Banks
	1908	1909	1910	1911	1912			
45	—	10,000	—	—	—	15	2 %	Doubs
500	—	20,000	—	—	—	20	2 %	South
200	—	—	24,000	30,000	—	20	1.50	Var
300	—	80,000	—	—	37,000	20	2 %	Pyrénées Orientales
160	—	28,000	—	—	—	15	1.50	Var
181	—	16,400	—	—	—	15	1.50	Var
385	—	—	—	—	48,000	20	1.50	Var
20	—	—	4,000	—	—	15	1.50	Avignon
200	23,000	—	—	—	—	20	1.50	Var
420	—	—	53,200	—	—	20	1.50	Var
128	—	—	—	—	29,600	20	1.50	Var
134	—	—	—	—	39,540	20	1.50	Var
98	10,000	10,000	—	—	—	10	2 %	South
268	—	—	—	—	35,000	20	1.50	Var
266	—	—	50,000	22,400	—	20	2 %	Pyrénées-Orientales
408	—	—	80,000	—	—	20	2 %	Pyrénées-Orientales
318	—	—	—	—	30,000	15	1.50	Var
121	—	—	50,000	—	20,000	20	2 %	South
250	—	—	25,000	—	—	20	1.50	Tarn
500	24,000	—	—	—	15,000	25	1.50	Var
50	—	—	14,685	—	—	20	1.50	Var
176	—	22,000	—	—	—	20	2 %	Gironde
150	100,000	—	—	—	—	25	2 %	Haute Garonne
29	—	—	15,000	—	—	15	2 %	South
187	—	—	—	—	47,334	20	2 %	Puy-de-Dome
1,000	—	—	48,000	—	—	20	2 %	South

Name of the Society	Date of Establishment	Duration of Agreement	Form	Paid up Capital
Co-operative Society of Luc (Var) .	May 5th., 1911	Unlimited	Civil	12,500
— of Marsillargues (Hérault) . . .	March 14th., 1910	15 years	do.	190,000
— of Maury (Pyrénées Orientales).	April 26th., 1910	30 "	do.	20,000
— " Les Vignerons de Montagnac " (Hérault)	Jan. 26th., 1908	50 "	Commercial	20,400
— Montigny-Arsures (Jura) . .	March 19th., 1909	Unlimited	Civil	7,500
— of Néoules (Var)	May 25th., 1908	do.	Commercial	8,500
— of Pignans (Var)	Feb. 25th., 1911	40 years	Civil	20,500
— of Poligny (Jura)	July 9th., 1907	Unlimited	do.	13,500
— " L'Union " of Pourcieux (Var).	March 21st., 1912	40 years	do.	14,000
— of Pupillin (Jura)	Feb. 13th., 1909	Unlimited	do.	5,500
— of St Georges d'Orques (Hérault)	July 29th., 1906	12 years	Commercial	39,400
— " L'Amicale " of St Maximin (Var)	March 10th., 1912	Unlimited	do.	38,100
— St Tropez (Var)	Feb. 23rd., 1908	do.	do.	17,900
— Seillons (Var)	Jan. 14th., 1909	do.	do.	10,000
— " Les Vignerons Minervois " of Siran (Hérault)	Oct. 18th., 1909	25 years	Civil	20,300
— " La Vidaubanaise " at Vidauban (Var)	Feb. 14th., 1912	30 "	do.	21,000
— Villelongue de la Sakanque (Py- rénées-Orientales)	Feb. 12th., 1911	20 "	do.	35,000
Total				1,221,900

V. — WINE FARMER'S DISTILLERIES.

The foundation of wine farmers' distilleries has also effectually contributed to reduce the effects of the viticultural crisis. The wine market, in fact, has only too often been glutted or encumbered with inferior produce, and the result has been the prices have fallen and the reputation of the wines of the district has been injured.

By the approval of the 1906 law, the wine farmers have been enabled to meet the expense necessitated by the installation of distilleries. They

Number of Families under Cultiva- tion	Loans Granted					Period	Rate	Intermediary Regional Banks
	1908	1909	1910	1911	1912			
280	—	—	—	—	25,000	20	2 %	Var
472	—	—	44,000	—	—	15	2 %	South
340	—	—	—	60,000	—	20	2 %	Pyrénées-Orientales
150	—	—	—	34,650	—	10	2 %	South
20	—	—	15,000	—	—	15	1.50	Jura
300	8,000	—	—	9,000	—	20	1.50	Var
225	—	—	—	—	41,000	20	1.50	Var
55	—	—	27,068	—	—	15	2 %	Jura
172	—	—	—	—	28,000	20	1.50	Var
22	—	10,000	—	—	—	15	2 %	Jura
153	26,500	—	—	46,500	—	11	2 %	South
446	—	—	—	—	75,000	20	1.50	Var
870	20,000	—	10,750	—	—	20	1.50	Var
150	—	19,000	—	—	—	15	1.50	Var
198	—	—	13,000	—	27,040	15	2 %	Carcassonne
301	—	—	—	—	40,000	20	1.50	Var
95	—	—	—	70,000	—	20	2 %	Pyrénées-Orientales
10,943	211,500	263,400	473,703	272,550	537,514			

we not been slow in profiting by the advantages offered by the law: 1908 two distilleries obtained loans; at the end of 1912 there were 14 and they had obtained 365,280 francs in loans.

These distilleries allow of the farmers utilising their surplus stock and their inferior produce. They also allow of the utilisation of the wine dregs which most of the small producers used to throw away. Finally, the residuum, the lees and the tartar, that the wine farmers of necessity neglected, have been treated collectively and are now a source of appreciable gain.

V. — *Wine*

Name of the Society	Date of Establishment	Duration of Agreement	Form	Paid up Capital
Co-operative Society "Les Vignerons d'Aniane" (Hérault)	Nov. 15th., 1910	26 years	Civil	163
— of Bizanel (Aude)	May 23rd., 1909	25 "	do.	398
— of Fabrezan (Aude)	April 18th., 1908	25 "	do.	313
— of Fleury d'Aude (Aude)	May 1st., 1910	25 "	do.	103
— "La Vigneronne" of Lespignan (Hérault)	August 12th., 1905	15 "	do.	103
— of Moussan (Aude)	June 11th., 1909	15 "	do.	80
— of Nélian (Hérault)	April 18th., 1911	25 "	do.	170
— "La Minervoise" at Olonzac (Hérault)	April 25th., 1909	Unlimited	do.	170
— of Poussan (Hérault)	June 28th., 1909	30 years	do.	70
— of Puissalicon (Hérault)	Dec. 12th., 1910	25 "	do.	219
— of Roujan (Hérault)	March 25th., 1911	25 "	do.	103
— of St Genis Terrenoire (Loire) .	Dec. 22nd., 1907	30 "	Commercial	17
— of St Georges du Bois (Charente- Inférieure)	Sept. 3rd., 1908	25 "	Civil	120
— of the Society attached to the Viticulturists' Syndicate of the Charentes, at Saintes (Charente- Inférieure)	April 2nd., 1908	Unlimited	do.	150
Total				2253

Number of Lectures Under Dissem- ination	Loans Granted					Period	Rate	Intermediary Regional Banks
	1908	1909	1910	1911	1912			
550	—	—	—	30,000	—	20	2 %	South
1,912	—	21,600	24,720	—	—	15	2 %	South
1,733	—	—	—	34,680	—	15	2 %	South
750	—	—	21,660	—	—	20	2 %	South
900	20,000	—	—	—	—	12	2 %	South
341	—	—	16,000	—	—	10	2 %	South
200	—	—	—	34,000	—	20	2 %	South
1,370	—	26,220	7,000	—	—	20	2 %	South
800	—	—	14,000	—	—	20	2 %	South
620	—	—	—	43,000	—	20	2 %	South
171	—	—	—	21,000	—	20	2 %	South
100	3,400	—	—	—	—	10	2 %	Porézienne
90	—	24,000	—	—	—	20	2 %	Charente Inférieure
1,000	—	—	—	—	24,000	20	2 %	Charente Inférieure
10,537	23,400	71,820	83,380	162,680	24,000			

GREAT BRITAIN AND IRELAND.

THE PROGRESS OF AGRICULTURAL CO-OPERATION IN IRELAND.

OFFICIAL SOURCES:

ANNUAL GENERAL REPORT OF THE DEPARTMENT OF AGRICULTURE AND TECHNICAL INSTRUCTION FOR IRELAND, 1911-12. Dublin: Browne and Nolan, 1913.
REPORT OF THE CONGESTED DISTRICTS BOARD FOR IRELAND for the period 1st. April, to the 31st. March, 1912. Dublin: John Falconer, 1912.
Previous Reports of the Department of Agriculture and the Congested Districts Board.
JOURNAL OF THE DEPARTMENT OF AGRICULTURE AND TECHNICAL INSTRUCTION FOR IRELAND, July and October, 1912.

UNOFFICIAL SOURCES:

REPORT OF THE IRISH AGRICULTURAL ORGANISATION SOCIETY for the Year ending 30th. 1912. Dublin: Sealy, Bryers and Walker, 1913.
Previous Reports of the Irish Agricultural Organisation Society.
THE IRISH HOMESTEAD (Dublin), June 22nd., October 12th., November 2nd., 1912; January 12th. and 18th., March 1st. and 15th., 1913.

§ 1. THE IRISH AGRICULTURAL ORGANISATION SOCIETY.

It is characteristic of all forms of co-operation in the United Kingdom that they owe their development principally to the work of a propagandist society. Very rarely is an industrial co-operative society formed without the assistance of the Co-operative Union and when farmers desire to operate, they almost invariably apply to the English, Scottish or Irish Agricultural Organisation Society for instructions how to proceed. It is especially the case in Ireland, and it would be difficult to point to any agricultural co-operative societies which were not organised by the Irish Agricultural Organisation Society or by the group of pioneers (chief among whom was Sir Horace Plunkett) by whom that Society was founded and carry on the work they had begun.

The Co-operative Union is supported solely by the subscriptions of affiliated societies, but in the case of the three Agricultural Organisation Societies this is still a minor source of revenue, and they owe their funds largely to the contributions of persons desirous of promoting the welfare of the farming community or to grants made to them by the State. Of late years, however, the contributions of affiliated societies have become an important source of income to the Irish Agricultural Organisation Society, the increase coinciding with the withdrawal of the grant which had been received from the Department of Agriculture and Technical Instruction for Ireland.

The following Table shows the amounts which have been received by the Irish Agricultural Organisation Society during the past ten years from (1) Contributions from affiliated societies; (2) Contributions from private individuals, and (3) State grants.

TABLE I. — Sources of Income of the Irish Agricultural Organisation Society.

Year	Affiliation fees and subscriptions from affiliated societies	Subscriptions and Donations from private individuals	Grants from State Departments	
			From the Department of Agriculture.	From the Congested District Board.
	£	£	£	£
1906	—	4,593	964	346
07	495	4,608	2,750	—
08	623	4,069	(a)	(a)
09	600	5,794	(a)	(a)
10	605	8,722	(a)	(a)
11	646	2,601	2,561	384
12	454	235	3,416	(a)
13	566	539	4,316	320
14	1,066	1,488	3,000	350
15	630	3,487	—	350
16	1,230	2,416	—	350
17	1,366	1,898	—	350

(a) Not indicated in the accounts of the Irish Agricultural Organisation Society.

The contributions of the affiliated societies have varied from 1 $\frac{1}{3}$ d. per head of the aggregate membership at the beginning of the year in 1906 to nearly 3 $\frac{1}{2}$ d. per head in 1911. In proportion to the turn-over of the business year, the societies' contributions were approximately 0.03 per cent.

in 1906 and 1907; 0.04 per cent. in 1901, 1904, 1905, 1908 and 1909; 0.05 per cent. in 1902, 1903, 1910 and 1911. They include not only the regular affiliation fees but, in certain years, contributions made in respect of special appeals by the Irish Agricultural Organisation Society.

For the years 1902 to 1904 the accounts published by the Irish Agricultural Organisation Society do not show the amount of the grants to the Department of Agriculture, the items "salaries" and "expenses" appearing as "less refunds." For 1906, the amount of the grant from the Department of Agriculture is shown, but not the amount of the grant to the Congested Districts Board. The financial year of the Department of Agriculture ends on March 31st., and for the years 1900-01 to 1904-5 accounts published by the Department are scarcely more explicit.

The first grant made by the Department of Agriculture (1900) was the form of a refund to the Irish Agricultural Organisation Society of expenses incurred in giving technical instruction, certain forms of which the Society had found it necessary to provide to its affiliated societies as adjunct to its primary work of organisation. In 1901 the Department gave also to refund to the Society the expenses incurred in organising agricultural credit societies in districts other than Congested Districts. This item, apart from other refunds, is to be found in the accounts published by the Department, and amounted to £284 in 1901-02; £821 in 1902-03; £1,067 in 1903-04, and £772 in 1904-05. In 1906-07 a similar entry £263 appears.

In 1905 a grant was also given for the organisation of live-stock insurance societies and home industries societies, as well as credit societies. From 1906 onwards the grant was in aid of the general work of the Society and it appears in the Reports of the Department of Agriculture as having been £2,091 in 1905-06; £3,700 in 1906-07; £4,247 in 1907-08 and £2,400 in 1908-09. At the end of 1908-09 the grant was withdrawn and no further grant has been given by the Department of Agriculture.

The grants made by the Congested Districts Board have been in respect of the salary and expenses of an organiser engaged in the formation of agricultural credit societies in the Congested Districts.

We have already referred in previous numbers (1) to the application made by the Irish Agricultural Organisation Society to the Development Commissioners for a grant from the Development Fund in aid of its work. This application was opposed by the Department of Agriculture, which it applied for a grant for the promotion of such forms of agricultural co-operation as would not incur the hostility of the trading classes. The Department's application was, however, rejected and after full consideration, the Development Commissioners recommended the Treasury to make a grant to the Irish Agricultural Organisation Society of £2,000 in respect of its work up to July 1st., 1912, and to give further assistance by way of grants in future years, on the following conditions:

(1) *Bull. of Econ. and Soc. Int.*, January and June 1912.

- 1) That the Society agree to add to its governing body and retain there as it receives aid from the Development Fund eleven persons nominated by the Development Commissioners ;
 - 2) That the Society agree to make as soon as practicable any necessitations in its rules, consequent on the above condition : and mean- to invite the additional members as soon as nominated to meetings Society's governing body, and to treat them in all respects as members o far as possible pending those alterations ;
 - 3) That the Society undertake that any co-operative societies which e in co-operation other than that of a purely agricultural nature (such : purchase and sale of groceries and other non-agricultural requirements) not be admitted to affiliation with the Irish Agricultural Organisation ty; and that any existing Societies, as, for instance the Irish Agricultural esale Society; which, having previously taken up such business, are nning to engage in it on the 1st. January next, shall on that date to be affiliated with the Organisation Society. It is understood that ibutory affiliation is a condition of receiving advice and assistance from ociety — such assistance being, of course, of an entirely non-pecuniary e ;
 - 4) That the Society undertakes to delete from the Rules which it is- to Societies formed by and affiliated with it the Rule requiring such ties to federate with the Irish Agricultural Wholesale Society.
- The Treasury concurred with the recommendation of the Development missioners and communicated its decision to the Society in a letter 1 April 1st., 1913.

§ 2. STATISTICS FOR 1911.

The Report of the Irish Agricultural Organisation Society for the year ug 30th. June, 1912 which contains the statistics of agricultural co- oation in Ireland for 1911, again comments on the difficulty of obtaining plete statistics.

More than ten per cent. of the societies known to be working actively or sent no returns at all or at best only very incomplete returns.

This fact lessens in some degree the value of the summarised statistics ained in the Report, since they neither present a complete statement of present position of the agricultural co-operative movement in Ireland, permit of a clear comparison with the position in previous years. The ort assures us, however, that "the continuous record of societies which : the trouble to furnish particulars annually proves that good and : factory progress has been made."

The following are the Statistical Abstracts for different classes of so- es :

TABLE II. — *Statistical Abstracts for 1911 of Agricultural Co-operative Societies in Ireland affiliated to the Irish Agricultural Organisation Society.*
A. Co-operative Creameries.

	Ulster	Munster	Leinster	Connaught	Ireland
Number of Societies . . .	141	131	26	28	36
Membership	21,872	8,651	3,486	11,716	45,725
Paid-up Share Capital . . £	63,615	46,066	15,019	21,670	146,370
Loan Capital	28,935	67,819	9,786	7,677	114,221
Turn-over { Sales of Dairy Produce . . .	623,761	938,275	188,022	176,805	1,926,863
Other Sales . . .	21,023	53,411	35,218	20,052	129,704

B. Agricultural Trading Societies.

	Ulster	Munster	Leinster	Connaught	Ireland
Number of Societies . . .	43	32	40	56	171
Membership	3,486	3,190	3,874	7,828	18,378
Paid-up Share Capital . . £	992	1,091	3,323	1,448	6,854
Loan Capital	8,686	6,136	11,355	14,563	40,722
Turn-over	35,773	21,339	48,201	24,890	130,203

C. Agricultural Credit Societies.

	Ulster	Munster	Leinster	Connaught	Ireland
Number of Societies . . .	62	47	57	70	236
Membership	5,431	2,479	3,896	7,699	19,505
Loan Capital £	5,405	3,238	8,323	12,296	29,262
Deposits	12,519	1,566	6,266	6,936	27,287
Total Capital	17,924	4,805	14,590	19,233	56,552
Number of Loans Granted .	2,377	323	1,283	3,984	7,967
Amount of Loans Granted £	18,038	3,850	14,506	19,659	56,053
Loans outstanding	18,009	3,057	12,335	19,186	52,587
Expenses	193	36	132	244	605
Nett Profit	142	21	121	181	465
Losses for Year	9	1	1	21	32
Reserve	1,335	220	646	1,484	3,685

D. Co-operative Poultry Societies.

	Ulster	Monster	Leinster	Connaught	Ireland
Number of Societies	9	3	3	3	18
Membership	2,608	641	1,865	765	5,879
Share Capital . . . £	1,221	258	352	296	2,127
Loan Capital	576	626	1,804	545	3,651
Total	34,195	11,787	12,996	8,691	67,669

E. Co-operative Home Industries Societies.

	Ulster	Monster	Leinster	Connaught	Ireland
Number of Societies	5	1	11	3	20
Membership	153	33	1,021	168	1,375
Share Capital . . . £	—	—	678	28	706
Loan Capital	—	—	783	—	783
Total	1,232	1,536	3,091	398	6,257

F. Flax Societies (Ulster only).

Number of Societies	9
Membership	621
	£
Share Capital	550
Loan Capital	4,171
Receipts for Scutching	2,331
Value of Tow	1,068
Nett Profits for Season	313

G. Miscellaneous Societies.

	Ulster	Monster	Leinster	Connaught	Ireland
Number of Societies	8	2	12	3	25
Membership	176	3,936	763	53	4,928
Share Capital . . . £	36	12,731	2,954	16	15,737
Loan Capital	610	6,350	887	—	7,847
Total	331	47,404	11,871	—	59,606

H. Federations.

	Munster (Irish Co-operative Agency Society)	Leinster (Irish Agricultural Wholesale Society)	Ireland
Number	1	1	
Membership	31	216	24
Paid-up Share Capital £	464	8,053	8,51
Loan Capital "	7,859	11,154	19,01
Turn-over "	153,695	132,929	286,62

We learn from the *Irish Homestead* that the turn-over of the Leinster Agricultural Wholesale Society reached £176,900 in 1912, and that a profit of £753 was made.

In addition to the societies of which particulars are given above there were 40 "pig and cattle supply societies", all in the Province of Leinster with 657 members. Twenty-two of these societies were formed in 1911.

We now give a summary table for Ireland as a whole showing figures relating to each class of society for 1910 and 1911.

of Agricultural Co-operative Societies in Ireland affiliated to the Irish Agricultural Organisation Society.

	Number of Societies		Membership		Paid-up Share Capital		Loan Capital		Turn-over	
	1910	1911	1910	1911	1910	1911	1910	1911	1910	1911
					£	£	£	£		£
Co-operative Creameries	312	326	44,792	45,725	144,231	146,370	120,338	114,217	1,699,313	2,096,667
Auxiliary Creameries (not separately registered)	79	87	—	—	—	—	—	—	—	—
Agricultural Trading Societies	165	171	16,743	18,378	6,681	6,854	36,545	40,722	124,720	130,203
Agricultural Credit Societies	237	236	19,190	19,595	—	—	55,884	56,554	53,853	56,035
Poultry Societies	18	18	6,185	5,879	2,176	2,127	3,007	3,651	61,213	7,669
Home Industries Societies	20	20	1,376	1,375	1,260	706	708	783	4,815	6,257
Flax Societies	9	9	994	621	513	590	4,323	4,171	2,849	3,408
Pig and Cattle Supply Societies	(1) 18	40	662	597	24	24	—	—	—	—
Miscellaneous Societies	20	25	4,790	4,928	15,313	15,737	5,706	7,847	59,888	59,606
Federations	2	2	247	249	7,666	8,517	13,479	19,013	280,906	280,624
All Societies	880	934	94,312	97,318	177,824	180,885	240,010	246,959	2,589,599	2,666,483

(1) In the statistics for 1910, reproduced in the issue of September, 1912, of the *Bulletin of Economic and Social Intelligence* these societies were included amongst the "Miscellaneous Societies."

The following Table gives a statement of the number and turn-over of the agricultural co-operative societies in Ireland since 1898, when first such society was established. It may be well to repeat that the figures owing to their incompleteness, do not give a really accurate picture of progress of agricultural co-operation in Ireland; it should be noted specially that, for four of the years, no figures are included for the Irish Co-operative Agency Society, an omission which seriously affects the aggregate turn-over in those years.

TABLE IV. — *Number and Turn-over of Agricultural Co-operative Societies in Ireland since 1898.*

Year	Number of Societies	Butter Sales	Loans granted by Credit Societies	General Turn-over	Total Turn-over
		£	£	£	£
1889	1	4,363	—	—	4,363
1890	1	8,500	—	—	8,500
1891	17	50,382	—	—	50,382
1892	25	96,969	—	—	96,969
1893	30	140,780	—	—	140,780
1894	33	151,852	—	—	151,852
1895	76	184,947	—	—	184,947
1896	104	377,695	388	57,882	435,965
1897	148 (a)	322,344	475	76,134	398,953
1898	243	401,771	3,306	270,346	675,423
1899	424	572,963	5,550	331,874	910,387
1900	477	703,826	7,270	327,781	1,038,877
1901	564	809,144	10,357	363,079	1,182,580
1902	706	885,892	16,480	340,175	1,242,547
1903	840	964,066	20,435	406,546	1,391,047
1904	778	1,089,620	31,742	410,958	1,532,320
1905	835 (a)	1,195,486	43,641	238,411	1,477,538
1906	873 (a)	1,457,040	50,264	307,145	1,814,449
1907	913 (a)	1,574,083	53,112	390,428	2,017,623
1908	881	1,666,596	56,004	529,780	2,252,380
1909	835	1,752,969	57,640	578,860	2,394,469
1910	888	1,903,334	55,855	630,370	2,589,559
1911	934	1,908,314	56,055	702,114	2,666,483
1889-1911	—	18,229,936	468,974	3,961,823	24,660,733

(a) No figures for the Irish Co-operative Agency Society.

For a few years prior to 1908 the number of societies appears from the going table to be larger than it really was, since a certain number of societies continued to be included which had fallen into abeyance. In the statistics for 1908 and 1909 these societies were removed from the list, causing a considerable apparent reduction in the numbers. The numbers again in 1910 and 1911, owing to the formation of new societies. The Report of the Irish Agricultural Organisation Society for 1910-11 states that far the most gratifying and significant evidence of the movement's progress during the year ending June 30th., 1912, is the number of proposals to establish societies which have come spontaneously from bodies of farmers. In former years the initiative had to be taken in all cases by the society's organisers whose difficulty consisted chiefly in the apathy of farmers and their reluctance to adopt any change in their methods."

§ 3. THE DIRECTIONS OF PROGRESS.

We shall now indicate, very briefly, the special directions in which progress is taking place or developments are suggested.

Co-operative dairying. — Comparing the statistics for 1911 with those for 1910, it will be seen that the most substantial increase in turn-over is to be found in the co-operative creameries. There has also been a marked improvement in the system of working and management but the Irish Agricultural Organisation Society strongly urges that the establishment of co-operative creameries merely effected a reform in the system of butter-making, that until winter dairying is extensively practiced and a general system of testing is adopted, only a partial reform can be said to have been accomplished. Of the two developments recommended, the latter is the more important.

"It is suggested," says the Report, "that the necessary cost of supervising the weighing of the milk, taking and testing the samples, etc., should be borne partly by the participants in the scheme and partly by the society of which they are members. It has been estimated that the milk of 100,000 cows is supplied to the co-operative creameries and that the present average supply per cow, about 450 gallons, could quite easily be increased to 550 gallons. At 4 1/2d. per gallon — a low price — the extra 100 gallons would realise £1 17s. 6d. per cow per annum, while the cost the farmer ought to be less than 2s. 6d. per cow. If the levelling up of milk yield were to become universal, an annual gain of nearly £1,000 to the co-operating farmers would ensue. It is not contended that this result can be accomplished all at once; it would probably take three or four years. On the other hand it would be absurd to set 550 gallons per cow as an average to be contented with; there seems no reason why the present milk producing average should not be increased 50 per cent."

The organisation of cow-testing associations is directly undertaken by the Department of Agriculture as part of a scheme for encouraging improvement in the dairy cattle of Ireland. Lecturers are sent to meet dairy farmers to explain the objects and advantages of these associations. The Department also supplies the necessary record-sheets and forms, and where the number of cows for which milk records are kept throughout the year exceeds fifty, the Department is prepared (in a limited number of cases) for at least one year to make a grant to the secretary at the rate of one penny per cow per monthly test towards the cost of testing the milk.

The marketing of the butter produced in co-operative creameries presents a problem which is still far from being solved. Of the total butter sold in 1911, amounting to nearly £2,000,000 worth, only £153,695 was sold through the medium of the Irish Co-operative Agency Society. Something has been done by means of the Butter Control Scheme (1) to improve the system of production in certain creameries and to place upon the market a considerable quantity of butter of standard quality bearing a registered form brand. The Control Scheme has hitherto been carried out by the Agricultural Organisation Society itself, but it is suggested that its work should be entrusted to a separate society which should be a federation of the participating creameries. The creation of such a body might be felt, lead to the better organisation of the sale of butter, and help to diminish the present competition between the creameries.

Another direction in which co-operative dairy societies are being urged to develop their business is in the establishment of retail depots for the sale of milk. It appears that in rural districts in Ireland the consumption of fresh milk in the homes of the agricultural labourers is inadequate and that the health of the children suffers in consequence.

Agricultural credit.— Pending the Report of a Departmental Committee appointed in January, 1912, by the Department of Agriculture to inquire into the existing system of credit available for the rural classes in Ireland, little has been done of late to promote the formation of new agricultural credit societies.

A steady increase is noted in the amount of deposits received by the existing credit societies; at the end of 1911 the deposits furnished 48 per cent of the total working capital. In many cases, much larger deposits would be forthcoming, if committees could make profitable use of them. The absence of a central bank to which surplus capital could be entrusted is, therefore, restricting the development of the credit societies as saving banks.

The increase in the deposits has resulted in the diminution of the advances made to credit societies by the Department of Agriculture and by the Congested Districts Boards, as shown by the following table:

(1) See *Bull. of Econom. and Soc. Int.*, January 1912, page 96.

TABLE V. — *State Advances to Credit Societies, 1909-1911.*

	Advances made by the Department of Agriculture.			Advances made by the Congested Districts Board.		
	1909-10	1910-11	1911-12	1909-10	1910-11	1911-12
Advances made during the year:						
No. of Societies . . .	7	1	3	(a)	(a)	(a)
Amount	£625	£130	£181	(a)	(a)	(a)
Advances outstanding at end of the year:						
No. of Societies . . .	137	118	104	65	(a)	57
Amount	£10,023	£8,415	£7,448	£5,925	£5,625	£5,345

(a) Not stated in the Reports of the Congested Districts Board.

Credit societies with unlimited liability being debarred by the present from trading, it is urged that agricultural trading societies should be utilised in some degree as credit banks. This could be done if they increase their capital and arrange for an extended credit with their banks; they would thus be able to give longer credit to their members for the goods sold to them.

Bacon curing. — The Roscrea Co-operative Bacon Factory had a turnover of £47,355 in 1911 and its success has led to the formation of similar societies at Wexford and Omagh. "In its way," says the Report of the Irish Agricultural Organisation Society, "the Roscrea Society is, perhaps, the most remarkable of all the developments of co-operation in Ireland. In acting as a pioneer in the industry, the Society incurred huge responsibilities and great risks. Breaking, as it did, new ground, there was little or no experience to guide its directors and it speaks volumes for its grit and determination that they persisted in their attempt against discouragement and every obstacle, incurring heavy financial responsibilities on behalf of the community, until the success of the society is practically assured. If the Roscrea Society could command all the capital it could profitably employ in the business, it would speedily become one of the largest bacon-curing concerns in the United Kingdom."

The *Irish Homestead* of March 15th, 1913, gives us some more recent information in regard to the Roscrea and Wexford Bacon Factories. It states that the Roscrea Factory handled 7,164 pigs in 1908; 8,155 in 1909; 6 in 1910; 11,951 in 1911, and 13,583 in 1912. The turn-over in 1912 was £55,059. In the first three years' working £310 was lost, but in 1911 a net profit of £1,210 was made. In calculating the profit full allowance was made for depreciation of the premises; they cost £7,360 to

build, but have been written down year by year until they stand at £40. The directors are considering the installation of additional electric power, and hope to be able not only to use it for their own work, but to supply electric light and electric power to anyone who may require it, and even to supply light to the town of Roscrea.

The Wexford Bacon Factory was almost ready to begin bacon-curing; the factory was complete with the exception of the refrigerating plant.

We also learn from the *Irish Homestead* that a co-operative bacon factory is in process of formation at Ballymena.

The Belleek Co-operative Dairy Society has taken up bacon-curing for local consumption, as had previously been done by the Achoury Co-operative Dairy Society. Several other societies are proposing to undertake this business.

The Sale of Meat. — The marketing of fresh pork has been successfully undertaken by the Cavan Central Co-operative Creamery at Ballinacorney, while other societies are preparing to enter upon the same development.

A large scheme is under consideration for developing the export trade in dead meat from Ireland on co-operative lines. The recent outbreak of foot-and-mouth disease in Ireland and the consequent prohibition of the export of live cattle from Ireland to Great Britain, has drawn attention to the desirability of establishing slaughter-houses in Ireland and exporting dead meat instead of live animals to England. It is felt that an opportunity has arisen for the farmers to obtain a larger share in the profits of the export cattle trade. It is pointed out that the Irish farmers have raised half a million sterling for the erection and equipment of creameries and that, as the export cattle trade is at least three times as large as the export butter trade, the cattle raisers and feeders should be able to find the necessary capital. The scheme would require to include, besides the erection of slaughter-houses, a regular supply of animals suitable for the high-class meat trade, means for utilising the offal and for disposing of the coarser parts of the animals, proper transport facilities and an efficient system of distribution in Great Britain.

Pending the development of the larger scheme a dead meat trade has been successfully carried out by the Wexford Bacon Factory, which took up this business while waiting for the completion of its bacon factory. The stock dealt with in 1912 was as follows: — Cattle, 1,600; sheep, 1,500; pigs, 239. For these £31,572 was paid and £34,255 was received; a net profit of £422 was made on the year's trading.

* *

Summarising the foregoing notes on the directions of progress it seems likely that we may look in the future for rapid development in co-operative bacon-curing, while other forms of co-operation will continue to develop steadily. It is too early to say whether there will be rapid progress

the co-operative export of meat. The prohibition of the export of live animals to England is a passing circumstance and though it is liable at any time to recur, it remains to be seen whether it will result in the permanent establishment of an extensive dead meat trade, either on capitalist or co-operative lines.

PUBLICATIONS OF RECENT DATE RELATING TO AGRICULTURAL CO-OPERATION AND ASSOCIATION IN GREAT BRITAIN AND IRELAND.

- BATT (E. A.): *Agricultural Organisation: Its Rise, Principles and Practice Abroad and at Home*. London: P. S. King and Son, 1912, 250 pp.
- FOLFF (Henry W.): *Co-operation in Agriculture*. London, P. S. King and Son, 1912.
- FOLFF (Henry W.): *Rural Credit for England*. "The Economic Review", London, April 1913.
- HEARNE (J. A.): *Agricultural Credit and the Joint Stock Banks*. "Co-operation in Agriculture", February 1913.
- MATTHEWS (A. H. H.): *Central Chamber of Agriculture in 1912: A Review of the Year*. "Agricultural Gazette", London, January 6th. and 13th., 1913.
- AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES in England and Wales in 1911. "Journal of the Board of Agriculture," London, January, 1913.
- THE AGRICULTURAL CO-OPERATIVE MOVEMENT: *The Work done by the Agricultural Organisation Society*. The Irish Supplement to the "Times", March 17th., 1913.
(The article refers to Agricultural Co-operation in Ireland and the work of the Irish Agricultural Organisation Society).
- THE ROYAL DUBLIN SOCIETY: *Its Varied Activities and Public Usefulness*. The Irish Supplement to the "Times", March 17th., 1913.

Part II: Insurance

BELGIUM.

I. LEGALLY RECOGNISED MUTUAL AID SOCIETIES ON DECEMBER 31st., 1912.

In the number of this Bulletin for last January (1), we published an article on the mutual aid societies, in which we examined their work with regard to sickness and old age insurance. In the same article we gave the substance of the bill on social insurance laid before the Chamber on November 12th., 1912, by the Minister of Industry and Commerce, M. Hubert, which will certainly give a new and vigorous impulse to mutual aid in Belgium. We now consider it well to give a few figures, collected by the Belgian Labour Office, and relating to legally constituted mutual societies existing in the Kingdom on December 31st. of the various provinces indicated below:

TABLE I. — *Number of Recognised Mutual Societies (December 31st).*

Province	1906	1907	1908	1909	1910	1911	1912
Warp	600	633	669	693	731	786	813
Haut	1,100	1,161	1,209	1,255	1,309	1,357	1,397
H. Flanders	652	682	714	748	773	810	827
L. Flanders	1,204	1,262	1,291	1,340	1,372	1,413	1,447
Nant.	1,442	1,470	1,497	1,528	1,572	1,638	1,683
Br.	976	1,020	1,055	1,092	1,175	1,224	1,260
Lbourg	323	332	347	364	379	398	408
Lembourg	488	496	510	505	515	525	532
Mur	632	643	653	674	714	750	771
Total	7,417	7,699	7,945	8,199	8,540	8,901	9,138

Monthly Bulletin of Economic and Social Intelligence, published by the International Institute of Agriculture, Year IV. No. 1. January, 1913. p. 51.
 Ser.: *Revue du Travail*, Brussels, No. 8. April 31st., 1913. Published by the Belgian Labour Office (Department of Industry and Labour).

The above table shows the constant progress made by the mutual aid societies in Belgium. The 9,138 institutions existing on December 31st., 1912 were divided as follows in reference to their objects.

TABLE II. — *Division of the Mutual Societies according to their Objects*

Province	Sickness Insurance	Insurance of Pension	Special Societies	Total
Antwerp	294	465	34	813
Brabant	575	739	83	1,397
West Flanders	361	423	43	827
East Flanders	494	884	69	1,447
Hainaut	763	876	44	1,683
Liège	581	650	29	1,260
Limbourg	120	281	7	408
Luxembourg	104	422	6	532
Namur	342	421	8	771
Total	3,634	5,161	343	9,138

As we know, the Belgian Mutual Aid Societies as a rule only grant assistance to their members when sick for a period of from three to six months on the expiration of which the member must count upon his own resources. However, cases of disablement, too serious to be dealt with by a society, may be treated, with greater probability of success, by a reinsurance of many societies. Hence, the origin of reinsurance societies, or associations formed among mutual societies in order to ensure members assistance in case of prolonged sickness, from the day on which that granted by the society to which they belong ceases. The members of the societies affiliated to the reinsurance society pay it a special monthly contribution through their respective local mutual sickness insurance societies. The contribution is generally twenty centimes a month for an allowance of a franc a day, but these figures are not the universal. In the following table we show the increase of these reinsurance societies from 1906 to 1912, observing that a few societies that are not included are also included.

TABLE III. — *Reinsurance Societies.*

Province	1906	1907	1908	1909	1910	1911	1912
Antwerp	2	3	3	4	4	5	5
Brabant	3	5	9	9	11	11	12
East Flanders	1	4	5	6	8	8	18
West Flanders	6	7	8	11	11	12	14
Hainaut	15	15	15	16	18	19	19
Liege	8	9	10	11	11	11	9
Namur	1	1	1	1	1	1	2
Limbourg	2	2	2	2	2	2	2
Munster	5	5	5	6	6	6	6
Total	43	51	58	66	72	75	79

These societies are to a large extent subventioned by the State. There exists in Belgium numerous federations making provision for the protection of the material and moral interests of their affiliated members. The number of Federations legally recognised in the last seven years is seen in the following table:

TABLE IV. — *Recognised Mutual Federations (on December 31st).*

Province	1906	1907	1908	1909	1910	1911	1912
Antwerp	9	9	10	11	11	11	11
Brabant	13	14	22	23	24	26	26
East Flanders	12	15	18	22	22	23	23
West Flanders	20	22	25	29	30	30	31
Hainaut	19	19	27	28	31	33	33
Liege	13	14	20	22	22	23	24
Namur	2	2	3	4	4	4	5
Limbourg	2	2	3	3	3	3	3
Munster	6	6	6	7	7	8	9
Total	96	103	134	149	154	161	165

The number of these Federations therefore has also continually increased.

The progress of Belgian Mutuality, as shown above, is to a large extent due to State encouragement, by virtue of which the Mutual Societies are now in a position to undertake every kind of social insurance and they will be better able when the Minister Hubert's proposal, to which we have alluded, becomes law.

[2.] MISCELLANEOUS NEWS.

1. THE "BELGIAN FARMERS' COLLECTIVE INSURANCE INSTITUTE" AND THE "AGRICULTURAL INSURANCE SOCIETY" IN 1912. — These two Mutual Societies for insurance against accidents in agricultural labour were founded in 1905 and began working in 1906 (1). They insure both the agricultural employers subject to the law of December 24th., 1903 and accidents in work and those insuring voluntarily.

The above law recognises the liability of the employer, in the case of accidents in agricultural work only when at least three labourers are habitually employed on the farm. However, other employers may voluntarily submit themselves to the regulations of the law.

The labourer, victim of an accident, has a right to a daily allowance of 50 % of his wages. If the disablement produced by the accident is or becomes partial, the allowance will be 50 % of the difference between the pay he receives previously to the accident and that he may receive before he is completely cured. If, however, the disablement is or becomes permanent the allowance will be an annual sum equal to half the annual wages.

The expenditure for medical assistance and medicines forms a charge against the employer.

In case of death, finally, the compensation is an amount of capital corresponding with an annuity of 30 % of the annual wages. The compensation is calculated on the basis of the wages received by the labourer in the year preceding the accident.

The employer may escape payment of the compensations, by contracting with an authorised insurance company or a mutual society for the purpose; in this case the legal liability is transferred to these institutes. If such a contract is not concluded, the employer will be bound to contribute

(1) See in this connection the report on the 7th Working Year (January 1st. to December 31st., 1912) of the above societies.

guarantee fund, unless he can show that he has made other arrangements to ensure the eventual payment of the compensation. This reserve fund is intended precisely to guarantee the payment of the amounts in case the employer is not in a position to meet them; it is formed by special contributions paid by private employers and collected in the same way as the direct taxes.

The institutes that intend to undertake accident insurance must obtain an authorization from the Minister of Industry and Labour. For this purpose, the private companies must show they are regularly constituted either in form of limited liability societies or societies *en commandite* limited by shares, and have a subscribed capital of not less than 100 million frs. Besides, they must deposit as security with the deposit bank an amount varying from 30,000 frs. to 1,500,000 frs. The *collective societies* formed among these employers must, in order to be recognized, have at least 5 members with at least 10,000 labourers in their employ. The rules of these Societies are submitted to the Government for approval.

So much premised, let us now give a few figures relating to the two above mentioned societies, which are among the most important in Belgium.

(a) *The Belgian Farmers' Collective Insurance Society.* The operations conducted by this society from its foundation up to December 31st, 1912, are shown in the following table.

TABLE I. — Operations "Conducted by the Collective Insurance Society" 1906-1912.

Year (December 31st.)	Number of Policies	Hectares	Wages (Agricultural Industries)	Premiums
06	8,098	160,764.05	4,557,898	312,079.44
07	8,640	166,081.69	4,595,311	339,109.95
08	8,907	167,966.21	5,413,505	360,765.15
09	9,135	168,651.08	5,847,265	388,768.25
10	9,249	166,417.75	6,304,959	405,005.82
11	9,445	164,818.29	6,975,044	431,171.10
12	9,374	161,964.34	7,483,378	454,430.34

Let us pay more special attention to the business done in 1912, in the various Provinces.

TABLE II. — *Operations Conducted, According to Province.*

Province	Premiums, Year 1912	Contracts Passed in 1912
West Flanders	148,874.70	246
East Flanders	73,897.25	134
Brabant	53,725.39	62
Limbourg	41,651.50	47
Hainaut	39,724.00	67
Antwerp	38,435.60	48
Liège	35,412.70	64
Namur	20,769.10	31
Luxembourg	1,939.50	4
Total	454,430.34	703

In the year with which we are concerned there were 2,726 accident we may classify as follows according to their causes.

TABLE III. — *Classification of Accidents.*

Causes of Accident	Less than 8 days	From 8 to 14 days	From 15 to 30 days	From 1 to 6 months	For more than 6 months	Permanent Disablement	Deaths	Total	%
Vehicles	7	50	63	32	3	7	3	165	6.0
Horses	18	107	79	40	—	5	1	250	9.1
Horned Cattle	6	39	49	17	1	2	—	114	4.1
Dogs	—	4	5	—	—	—	—	9	0.3
Agricultural Machines Em- ployed:									
on the Farm	1	12	25	14	—	5	2	59	2.1
in the Fields	2	7	9	2	—	—	—	20	0.7
Falls:									
of the Victim	29	197	240	112	4	5	1	589	21.6
of Objects, Imple- ments, etc.	18	84	81	29	—	6	2	219	8.0
Bruises	13	50	66	27	—	5	—	161	5.9
Strains	35	138	105	37	1	1	2	319	11.7
Edged Tools	28	127	93	18	1	7	2	276	10.1
Miscellaneous Causes	91	216	154	56	1	25	2	545	20.0
Total	248	1,031	969	384	11	68	15	2,726	100.0
%	9.10	37.82	35.55	14.09	0.40	2.49	0.55	100.00	

The average cost per accident in the various years was as follows :

TABLE IV. — *Average Cost per Accident.*

Years	Average Cost per Accident	
	For all Accidents	For Cases of Temporary Disablement
6	76.54	42.19
7	93.13	51.37
8	103.00	49.14
9	99.16	49.95
0	114.01	51.56
1	123.57	52.74
2	123.34	48.84

Altogether the claims paid in 1912 amounted to 269,575.50 frs.

(b) *The Agricultural Insurance Society.* The total business done by society is seen in the following table.

TABLE V. — *Operations of the Agricultural Insurance Society.*

Years (December 31st.)	Number of Policies	Hectares	Wages (Agricultural Industries)	Premiums
6	10,204	170,922.23	3,421,969	195,806.95
7	11,364	182,546.29	3,795,587	224,957.25
8	12,418	192,314.64	4,119,771	247,918.15
9	13,590	203,249.34	4,413,841	276,117.62
0	15,114	216,354.69	5,064,727	310,562.98
1	16,886	231,162.37	5,523,158	362,696.14
2	18,701	247,034.44	6,096,147	430,131.85

The following figures relate more especially to the year 1912.

TABLE VI. — *Distribution of the Operations according to Provinces.*

Province	Premiums, Year 1912	Contracts Passed in 1912
West Flanders	126,213.60	579
East Flanders	90,311.95	577
Brabant	53,437.10	270
Liège	45,492.10	289
Limbourg	38,720.10	195
Antwerp	24,937.60	186
Hainaut	25,139.90	293
Namur	14,863.00	81
Luxembourg	1,016.50	13
Total	420,131.85	2,483

In 1912 there were 2,457 accidents reported and 143,178 frs. p. in claims.

* *

2. THE LAW OF MAY 11TH., 1912, AMENDING THE LAWS OF MAY 10 1900 AND AUGUST 20TH., 1903, ON OLD AGE PENSIONS: — The fundamental provisions of the law of May 10th., 1900 on Old Age Pensions are known to our readers (1). The law of May 11th., 1912 has provided as follows for their partial amendment.

(a) An annual allowance of 65 frs. shall be granted to every citizen of Belgium, resident in the country, born before January 1st., 1843 and now in need;

(b) all citizens, on arriving at the age of 65, shall have right under the same conditions to this allowance, who, born after January 1st., 1849, have made payments into the General Pension Bank to the amount of at least 18 frs.

(c) Notwithstanding the laws of March 16th., 1865 and December 31st., 1908, the General Pension Bank is authorized, up to 1914 inclusive, to receive contributions towards deferred annuities on the part of persons entitled as above to the allowance.

The enjoyment of annuities acquired by virtue of such contributions may be, at the request of the parties concerned, retarded until they have attained the age of 68 years.

(1) See *Bulletin of Economic and Social Intelligence*, January, 1913, p. 59.

* * *

3. A BILL TO AMEND THE LAW OF DECEMBER 24th., 1903 ON ACCIDENTS WORK. — M. Mansart and his colleagues, on February 26th., 1913, laid a proposal before the Chamber for the amendment of the law of December 24th., 1903, on Accidents in Work. The proposal aims substantially:

1st. at extending the application of the law to all workmen to whose contract the law of March 10th., 1900 applies. That law, as we know, regulates the contract by which a workman undertakes to work under the direction and supervision of an employer or master, for compensation to be received from him, calculated either in accordance with the period of work, the quantity, quality or amount of the work done, or on any other basis agreed on between the two parties;"

2nd. at abolishing the period of waiting;

3rd. at increasing the compensation at present allowed up to 75 % of the average daily pay and to 100 % in case of total disablement;

4th. at authorizing the free choice on the part of the victim of the doctor and pharmacist, and charging the master with the hospital expenses;

5th. at fixing the allowance for funeral expenses at 175 francs;

6th. at raising the pension for the victim's heirs from 30 to 50 % of annual wages.

Other provisions, finally, concerned the consignment of the pass books, the compensation to apprentices and young workmen and State compulsory insurance.

3. PUBLICATIONS OF RECENT DATE RELATING TO INSURANCE IN BELGIUM.

DEON (Maurice): La législation belge d'assurance contre l'invalidité (Loi du 5 mai 1912). *Belgian Legislation on Disablement Insurance: Law of May 5th., 1912* Paris, Arthur Rousseau, 1913.

CAHIER BELGE DES ASSURANCES: Guide pratique de l'assureur. (*Belgian Insurance Yearbook: Insurer's Practical Guide*). Annual publication of the Belgian Review: *Assureur*, Brussels, A. Lescompel, 1913.

LE COMITE D'ASSURANCE DES CULTIVATEURS BELGES (*Belgian Farmers' Collective Insurance Society*) and

SOCIÉTÉ D'ASSURANCE AGRICOLE (*Agricultural Insurance Society*). 7th. Working year, (from January 1st to December 31st., 1912). Report presented at the General Meeting of March 6th., 1913.

M. Em. Vliebergh, Professor at the Louvain University.

FRANCE.

LIFE INSURANCE AND LEGISLATION ON SMALL HOLDING AND CHEAP DWELLING HOUSES.

OFFICIAL SOURCE :

CAISSE NATIONALE D'ASSURANCE EN CAS DE DÉCÈS (*National Life Insurance Institution*).
Notice relative aux assurances temporaires (*Notes on Temporary Insurance*).

OTHER SOURCES :

CHEYSSON (Emile): L'assurance mixte et les habitations ouvrières (*Mixed Insurance and Workmen's Dwellings*). Paris, Musson, 1893.

CHEYSSON (Emile): L'assurance sur la Vie et les habitations à bon Marché (*Life Insurance and Cheap Dwelling Houses*). Paris, Chaix Printing Press, 1896.

SOCIÉTÉ FRANÇAISE DES HABITATIONS À BON MARCHÉ (*French Cheap Dwellings Society*).
Documents à consulter. Modèles et renseignements divers (*Documents for Consultation*
Models and Various Information). Paris, 4, rue Lavoisier.

§ I. LIFE INSURANCE AND CHEAP DWELLINGS

If life insurance is an act of prudence to be recommended to the workman who lives from day to day in order to protect his family in the event of premature death, it becomes almost a necessity in case he has to make a long term contract, in order that in the end he may have a house of his own. He binds himself to pay for a house, a garden, or a piece of land in fifty or twenty annual instalments ; but if he dies before the payment has been made what will become of his family ? Who can answer for a future so remote ? The father, to whom the prospect of this slow and gradual acquisition is held out, hesitates and asks himself before binding himself for so long a time, whether he is sure to be among those fate will spare and who in case of misfortune to him, they will do whom he leaves behind to face crushing engagements. The house, which has cost his family many years of self-denial, will be lost to them, if he dies before accomplishing his work and the sorrow of the supreme separation will be rendered even more painful for him by the bitter prospect of the futility of these long efforts.

in view of such eventualities, the thrifty man curbs his impulse to this arrangement, however attractive it may be, and often he abstains. Hence, however, enables him to solve the problem. If the workman, at the same time as he signs his contract of lease with respect of purchase, takes a temporary life insurance policy for an amount equal to that of the house and for a term equal to that of his engagement, his situation is changed and his anxieties dissipated. He engages, in addition to his rent, an annual premium varying with his age for the period for which he insures, the average amount of which we shall see. For its part, the society in which he is insured undertakes, if he dies before the completion of the term agreed on, to pay the balance due to the house building society, so that the house may be delivered immediately to the family on the death of the father, even if he dies at once after signing the contract.

§ 2. THE EXPERIENCE OF BELGIUM.

Belgium is due the honour of the first introduction of insurance in new laws and customs in relation to cheap dwellings. The law of August 9th., 1889, in its article 8, authorizes the General Savings and Pension Bank "to undertake mixed life insurance, for the purpose of repayment—at a fixed date, or at the death of the insured person, if he dies before that date, — of loans granted by the Bank for the erection or purchase of a dwelling house." This institution began to work on September 1st., 1891. Far from seeking continually to extend its rôle, the General Savings and Pension Bank seeks to limit it, and seems only to reconcile itself to taking direct action in the hope of rendering itself unnecessary and leaving private initiative to take its place. "If we wish," said M. Mahillon, at the Popular Credit Congress at Lyons on May 7th., 1892, "a Central Savings Bank, with all the prestige it derives from the State guarantee, to produce the beneficent and useful results we have a right to expect from it, it is indispensable that it should be completed by distinct organizations carrying out its work. It runs the risk of extending itself disproportionately, and does not restore to local circulation a large part of the capital of which it disposes the whole country, or, if, in proportion as it develops, auxiliary registering institutions do not counterbalance its power of attraction. In limiting the intervention of the Bank to the advantage of the workmen's savings organization, its General Board considered that from the first it should arrange for the complete emancipation of the building societies, so that, once independent of the organization which gave them birth, they may, in connection with it, invite savings deposits and invest them precisely where they were formed and may be of use." These facts have justified this declaration of principle. The General Savings and Pension Bank has not considered itself invested by the law of 1889

with a strict monopoly of loans and insurance in connection with dwelling houses and, far from treating the private companies that wish to enter its field as disrespectful rivals who must be reduced to submission, it encourages them and applauds their success.

Thus the Belgian General Life Insurance Company is engaged in the business of loans and insurance in connection with cheap dwelling houses. It advances 60 % of the value of the house on condition that the borrower takes out a mixed insurance policy with it. These loans are made through the official medium of the Ixelles Co-operative Society for Cheap Dwelling Houses. Two administrators of this society have been appointed general agents for the Company. They receive a commission from the collection of the first premium and a percentage on the annual premium collected. The commission is not all for them; they only receive a third for themselves and the other two thirds go in equal portions to the insured person himself and the co-operative society, the reserve fund of which is thus increased.

A note published by the Belgian General Insurance Society shows the advantage this Company receives from the above arrangement. "The cash operations", says the note, "consist of two distinct parts; the advance, is the simple loan on mortgage on buildings erected or to be erected. If the house is already built, its value is estimated by an appraiser in the service of the Company; if it is still to be erected, the plan and estimates are submitted for the approval of the Company, which then makes its loans, as the work proceeds. The Company thus obtains a good investment for its available funds at 4 % and the security may be considered the very best.

"With this loan business a mixed insurance business is associated with premiums at the usual rate. This gives the policy holder the opportunity of paying his instalments and paying off the debt on his house, even before the expiration of the term of contract, and its effect is to charge the Company itself with the repayment of the amount advanced. The arrangement is thus doubly profitable for the Company, as it is a good investment for its capital and also increases the number of its policy holders and its mixed insurance contracts, which are generally remunerative. The results obtained up to date and the numerous applications that have reached the Belgian General Insurance Company for loans on cheap dwelling houses prove that the arrangement has attained its object and has been successful.

§ 3. FRENCH LEGISLATION.

In France the idea of resorting to life insurance for the acquisition of cheap houses was first acted on in some interesting local cases, but it was not until the passing of the law of November 30th, 1894, that it became a great vogue. Article 7 of this law ran as follows:

The Life Insurance Institute, founded by law of July 11th., 1869, is authorized to arrange for the temporary insurance of purchasers or builders of houses, who are paying off their debt on the houses in instalments so guarantee payment of the balance still due at the death of the policy; if that takes place prior to the expiration of the term fixed for payment of his debt."

The maximum amount of capital assured may not exceed that of the insured value by 4.27 % of the net revenue, as in article 5.

Any applicant for insurance under the conditions of § 1 of the present law must answer the questions and submit to the medical examination required by the policies. If his application is refused, the grounds for this must be given. The insurance commences from date of signature of policy, independently of any clause to the contrary.

The amount assured will be, in terms of the present article, transferable under the conditions established in the policy.

The term of contract must be fixed so that there shall be no eventual payment of premiums after the age of 65.

The 1894 law has been amended several times, especially by the laws of April 12th., 1906, April 10th., 1908, February 26th., and December 23rd., and now the benefit of the provisions at first reserved for cheap houses has been extended, under certain conditions, to gardens and farms of not more than one hectare.

Further in a decree of August 24th., 1908, amended by two new Decrees of August 17th., 1912 and May 3rd., 1913, 9 articles dealt with the conditions for insurance. The following are the most important:

Art. 6. — Except in the case contemplated in paragraph 2 of article 1 of the law of April 10th., 1908, (1) any person desiring to obtain from a credit society, or a cheap dwellings society a mortgage loan under the conditions of the law of April 10th., 1908, must forward to the general manager of the deposit and consignment bank, through the society applied to for the loan, a request for the medical visit for which provision is made in paragraph 1 of article 9 of the said law.

Art. 7. — The application must contain the full name, address and date of birth of the applicant, as well as an undertaking on his part to answer the questions put to him by the doctor and to submit to examination by him and to pay the expenses of such examination.

Art. 8. — After receipt of the medical report, the general manager shall decide if the application for insurance shall be accepted or refused. In the former case, he shall send the applicant notice that the risk has been accepted for a period of three months; in the latter, he shall notify him of the refusal, for which reasons must never be given.

This refers to the case of the applicant who, two years at least before the purchase of a house, garden or farm, has applied for insurance in the National Institute and made a deposit of 1 % of the capital to be assured, provided the amount paid is not less than 100 francs. The contract must be signed within the term of a year from the expiration of the two years mentioned above and the amount paid is deducted from the single premium.

Art. 9. — In case the risk is undertaken, the society lending shall the borrower sign in its favour an application for insurance which it forward to the Deposit Bank before the expiration of the three months following the acceptance of the risk.

In case the loan contract is annulled or cancelled, repayment shall be made out of the premium reserve in return for the simple receipt of the society benefiting, when the premium has been incorporated with the mortgage.

The cheap dwelling house societies that have obtained advances from land credit societies can transfer the benefits derived from the insurance contract arranged as a guarantee of mortgage loans granted by means of such advances, only to the advantage of the credit societies.

The land credit societies cannot transfer the benefits derived from an insurance contract transferred to their advantage by the cheap dwelling houses societies, or of insurance contracted immediately for their advantage unless the transfer of the mortgage credits guaranteed by such insurance is authorized by the Commission for the Distribution of Loans, in conformity with the provisions of the last paragraph of article 5 of the law of April 10th., 1908.

The transfer is effected by means of a memorandum attached to the policy.

Art. 10. — Every application must be accompanied by:

1st. The certificate of birth of the applicant on unstamped paper.
2nd. The administrative certificate prescribed by article 3 of the law of April 10th., 1908 (1) and, in case of purchase or building of a private house, either the certificate of salubrity prescribed by article 5 of the law of April 12th., 1906 or the provisional certificate of salubrity in terms of article 6 of the law of April 10th., 1908, amended by law of February 26th., 1912.

3rd. A certified abstract of the proposed contract of loan on mortgage showing the amount of the loan, the rate, the period of the agreement, the conditions for repayment and stating whether or not the insurance premium is advanced by the society lending.

Any change in the details appearing on this certificate must be with delay reported to the deposit and consignment bank.

Art. 11. — In the case contemplated in paragraph 2 of article 9 of the law of April 10th., 1908 (2) the party concerned must forward his application to the Deposit Bank directly or through the medium, either of a land credit society or a cheap dwelling society or a patronage committee of cheap dwellings and social thrift. In his application there must be indicated the name, surname, date of birth, profession and residence, the proposed amount of the sum to be assured and the object of the loan; it must contain an engagement to pay in one sum, on advice from the deposit bank, an amount equal to 1 % of the capital to be assured, this sum

(1) The object of this certificate, delivered by the Controller of Direct Taxation, is to prove that the applicant has satisfied the various conditions imposed by the law.

(2) See above, the note in explanation of article 6 of the decree under consideration.

less than 10 francs, and to produce at date of signing the contract of insurance, the documents described in article 10 of the present decree.

Art. 12. — After examination of the application, the general manager of the Deposit Bank shall, if it has been so decided, advise the party concerned that the National Life Insurance Institute will deliver him a promise of insurance. This promise of insurance shall be delivered to him the moment payment is made by the responsible agent indicated in original application. It binds the National Institute to insure the applicant under the conditions prescribed in paragraph 2 of article 9 of law (1).

Art. 13. — In case the amount assured exceeds by more than one fifth amount shown in the promise of insurance, the contract can only be effected after a medical examination, according to the condition laid down in articles 6-10 of the present decree."

Such are the texts at present regulating insurance in relation to cheap rates and small holdings.

These texts refer to *temporary* life insurance, whilst the Belgian texts concerned with mixed insurance, for both temporary and ordinary, insurance. In Belgium the General Savings and Pension Bank forms the twofold office of both lender and insurer, whilst in France the State only undertakes insurance and has decided not to associate with the banks in that of liquidation of debts.

The authors of the rules in force seem to have been above all anxious for the security and regularity of the operations conducted by a State Bank, which has no right to run risks and is bound to conform to Government regulations and regulations. Hence complications are inevitable. This has been so well understood that the rules have been simplified as far as was possible. Given the rules of Government book-keeping, it was difficult at the policy holder to less inconvenience, whether in connection with drawing up of the contract or the payment of the premiums.

Let us add that the application of the insurance is remarkably facilitated by the interposition of the Building and the Credit Societies between policy holder and the State.

The law only mentions individual insurance and does not authorize the Institute to deal immediately with the societies, but the transfer of the profits derived from the insurance contract to the advantage of the Building or Credit Society, besides the mutual security it procures for both the societies concerned, allows the society to which the transfer is made to assume charge of the formalities and spare the purchasers the cost. It is clear, in fact, that, though tiresome for each separate individual, as condemning him, in any case, to take steps for the preparation of documents and lose time, these formalities will, on the contrary, be very easily accomplished by the Society which is the common mandatory of all its tenants. As regards the Institute, this interposition has also many advantages, as it is thus routed with a well organized group, so that it has not to do business

(1) See preceding note.

separately with a large number of applicants, of very humble class and very little familiar with the machinery of government. In Belgium even the General Savings and Pension Bank in fact only recognises the Societies; it would be in every way embarrassed both financially and morally, if it were to deal directly with each of its separate policy holders, and if it were constrained to be severe with them.

The intervention of the Societies again makes it possible to solve the difficult problems: the one relating to the date of payment of premium, the other to their equalisation.

With regard to the first of these matters, it is to the interest of the Bank that there should be only one day for payment in the year, so that there may be no multiplication of expenditure for documents and collection. This is the true difficulty in the way of popular insurance which up to the present has caused it to be disdained or neglected by the private companies. If the Bank desires a single day for payment of premiums in the year, it is to the interest of the insured to split up the premium into at least four quarterly payments. The instalments of debt are generally paid quarterly, and we know how severely this payment already tries many improvident people.

On the other hand, if the Building or Credit Society intervenes between the Bank and the policy holder it is very easy for it to combine the quarterly payment of the instalment with the annual payment of the premium, and will thus serve to regulate the business to the mutual advantage of all concerned.

The same holds good for the equalisation of the premiums, an operation with regard to which we find ourselves obliged to enter into certain technical explanations.

By their very definition, the risks of temporary insurance decrease since every year the number of annual payments guaranteed diminishes by one. The premium then commences at its highest and decreases from year to year until it ceases to be paid at all at the end of the term agreed on.

This decrease is a real difficulty and may be an obstacle to the extension of this class of insurance. In fact the system imposes at the start very heavy sacrifices. Therefore, for this decreasing premium the Bank allows its policy holders to substitute either a single premium or an unvarying premium, the latter being fixed at the initial rate for the decreasing premium, and then only applied to a part of the period. By this arrangement, the initial maximum would be paid, for example, for eleven years and during the nine years completing the period of twenty years there would be no further premium to be paid.

But the solution by means of unvarying premiums, at the initial maximum rate, is no more satisfactory than that by means of decreasing premium, and would be in fact rather worse than it. What is desirable, because it is convenient and practical, is the equalisation of the premium for the whole period of the contract. Unfortunately, a State Bank could not consent to this, because at the start it would not receive enough to cover its risk.

ce a deficit, which in technical language is called a "negative-reserve", which would expose it to loss, if the policy holder were to interrupt payments instead of paying to the end.

Here the intervention of the Building or Credit Society is very useful. If the Society receives its sinking fund instalment regularly and the Institute its decreasing premium in connection with that instalment, the total annual payment of the policy holder decreases from year to year. If the Society for the fixed instalment substitutes an increasing amount, the rate of this increase could be so arranged that the total of the increasing sinking fund instalment and the decreasing premium would be a fixed annual amount.

§ 4. COST OF INSURANCE.

In Belgium the Royal Decree of July 6th., 1891 regulated the general conditions of mixed insurance prescribed by the law of August 9th., 1889 fixed the tariffs at 3 % in accordance with the mortality table called *the life table no. 3 (males)*, published by William Par in 1863, with a margin (1) of 3 %.

In the case of a policy holder whose age when first insuring is 35, the annual premiums paid on an insurance of 1,000 frs. would be according to tariff, as follows :

Contract for 10 years	Fr. 93.49
" 15 "	" 60.92
" 20 "	" 45.30
" 25 "	" 36.53

In these figures are included both the temporary life insurance premium and the sinking fund instalment. In order to arrive at the first, must therefore deduct the second amount.

If, in the case of the twenty years' contract, for example, we deduct from the premium, of 45.30 fr., 3% sinking fund, which is 36.13 fr., we find the net premium is only 9.17 fr. or 0.92 %. The additional sacrifice borne on the tenant purchaser for insurance is therefore less than 1% of the amount of the capital insured. As the annual payment, including rent, sinking fund, general expenses and management come to between 8 and 9 %, insurance scarcely increases the amount by one tenth., according to the tariff. It is a slight increase in comparison with the priceless security the purchaser thus obtains.

¹ The proportion added to the net premium to cover the general expenditure, and contingencies.

In the case of France the note published by the National Life Insurance Institute contains nine tables presenting possibilities enough to permit of the cost of insurance in any particular case being ascertained with sufficient accuracy.

For example, take the case of a tenant desirous of buying a house 5,000 frs.; he is 35 years old and has 20 years in which to pay for his home in annual instalments at 4 %: he has recourse to life insurance to ensure that, if he dies within the 20 years, his family will become owners of the estate without having to go on paying the annual instalments. The following are various premiums between which he may choose in accordance with the calculations of the note:

Single premium, to be paid at once, in a lump sum, on signature of the contract	578.50
Fixed annual premium for 11 years (there being no premium to pay for the 9 remaining years)	64.00
Annual decreasing premium to be paid in 20 years, that is	
First year	62.00
Fifth year	48.75
Tenth year	38.50
Fifteenth year	33.50
Twentieth year	8.50

We may see here the common drawback of all three premiums, that of exacting the maximum efforts and sacrifices at the beginning of the operation. Hence the practical advantage of substituting for the fixed annual premium of about 50 frs. for the whole period by means of the interposition of the Building or Credit Society between the State Institute and the policy holder.

SWITZERLAND.

AGRICULTURAL INSURANCE SOCIETIES IN 1911.

OFFICIAL SOURCES:

REPORT DU BUREAU FÉDÉRAL DES ASSURANCES sur les entreprises privées en matière d'assurance en Suisse en 1911. (*Report of the Federal Insurance Office on Private Insurance Businesses in Switzerland in 1911*). Berne (France), 1913.

DR (Prof. Dr. Christian): Das Inkrafttreten des schweizerischen Bundesgesetzes über den Versicherungsvertrag. Report Presented at the seventh Congress of Actuaries. Amsterdam, 1913.

WALTUNGSBERICHT DER DIREKTION DER LANDWIRTSCHAFT DES KANTONS BERN FÜR DAS JAHR 1911. (*Report of the Management of Agriculture of Canton Berne for 1911*) Berne, (Stämpfli), 1912.

OTHER SOURCES:

STREITUNGSGESAMTUNG RAPPORT DE GESTION DE LA SOCIÉTÉ SUISSE D'ASSURANCE CONTRE LA GRÊLE À ZÜRICH. (*Thirty-third Report of the Swiss Hail Insurance Society of Zurich*). Zurich, Leemann, 1913.

INTRODUCTION.

In Switzerland private agricultural insurance businesses are regulated by the laws of June 25th, 1885, which subjects them to the supervision of the State office at Berne and April 2nd., 1908, which fixes, in a manner to be departed from, the principal conditions of insurance. In order to conform to this second law, most of the insurance societies have had to revise and amend the conditions of their contracts and their forms for declarations and tariffs and generally the new conditions are far more favorable for the insured than the old.

We know that the Swiss Civil Code of December 1907 came into operation on January 1st., 1912, in substitution of the various cantonal laws previously in force.

A special schedule to the Code contained the law on contracts in accordance with the bill of March 30th., 1911. Now, as the provisions with regard to the insurance contract are a matter of civil law, it might be asked why this contract was dealt with in a special law. But, as Prof. Moser justly observes, in a report to the Amsterdam Congress of Actuaries, a special law is much easier to amend than a general one and so it may be more easily adapted to meet the development and the constantly changing exigencies of an institution, like insurance, which is continually being improved on.

In the case of an international insurance society, adds Prof. Moser, it would be highly desirable to have the same conditions of contract in all the countries in which it works. But we must recognise that, up to the present, the legislation of most of the various States is opposed to the realization of this desire.

The federal office, for its part, has always encouraged international agreements and congresses, tending to unify or coordinate the legislative principles in connection with insurance. As is said in the report of the office for 1911, in Switzerland the business of insurance has a strictly international character. All branches of insurance except two (credit and hail insurance) are undertaken not only by Swiss, but also by foreign societies. In the annual reports of the Federal office we clearly see the economic importance and the progress of the various branches of insurance in Switzerland; so in the following sections we shall summarise the information contained in the last report, that is for 1911, on livestock and hail insurance.

§ 1. PRIVATE LIVESTOCK INSURANCE SOCIETIES.

There are three mutual livestock insurance societies in Switzerland: the *Mutuelle chevaline Suisse* of Lausanne, the *Badische Pferdeversicherung Anstalt* a. G. of Karlsruhe, and the *Garantie fédérale* of Paris. The first two societies only insure horses, asses and mules; the third also insures horned cattle and sheep.

The amount assured at the end of 1911 was 16,486,985 frs. (at the end of 1910: 16,091,418 frs.), the premiums collected increased from 598,367 frs. in 1910 to 619,727 frs. in 1911; the amount of claims paid from 423,500 frs. in 1910 to 479,050 frs. in 1911.

Inferior fodder and the summer drought contributed to increase the number of losses in 1911, especially due to colic and diseases of the digestive apparatus; the cases of asthma among the horses were also exceptionally numerous. The report shows that, in spite of the bad year, the *Mutuelle chevaline suisse*, was able to pay, in conformity with its agreements, 75 % of the amount assured to those of its members who suffered losses, without recourse to the collection of supplementary premium. It was also able to place 935.35 frs. to the reserve fund and reduce its work

expenses in comparison with what they had been the previous year, the *Badische Pferdeversicherung Anstalt a. G.* was able to dispense with the action of supplementary premiums. However, in the course of the year, expenditure exceeded the revenue by 64,641 frs. and the reserve fund had to be drawn on. The *Garantie fédérale* makes its members renounce 20 % of the insured value; hence, in case of disaster, the compensation can never exceed 80 %. In 1911, even in spite of the regular deductions from the reserve fund, it could not pay its members 80 % of their losses as agreed on; the compensation given both for horses and horned cattle was 72 %. In the report it is said that the reserve fund of this society does not meet current risks, which is 16,000 frs., is absolutely insufficient.

The following table giving the profit and loss accounts and balance sheets of the three livestock insurance societies above mentioned clearly shows the financial results of their work in 1911. The figures refer to the total business done by the societies, and so include that done in Germany by the *Badische Pferdeversicherungs Anstalt* and that done in France, Algeria and Belgium by the *Garantie fédérale*.

Livestock Insurance

	III. PROFIT AND LOSS ACCOUNTS				
	Mutuelle suisse de Lausanne		Badische Pferdeversicherungs- Anstalt von Karlsruhe		Genossenschaft von Lenzbourg
	fr.	c.	fr.	c.	
REVENUE:					
Brought Forward from Previous Year . . .	—		—		
Reserve Fund for Current Risks . . .	(*) —		426,173.89		(*) 12
Reserve Fund for Claims	6,000—		63,191—		81
Premiums Collected	206,578.45		1,172,361.28		81
Profit on Investment	788.55		22,350.04		3
Policy Dues	4,851—		3,874.37		—
Other Revenue	—		51,866.81		14
Total	218,218—		1,739,817.39		84
EXPENDITURE:					
Claims Paid	165,754.40		1,047,643.27		57
Commission and Agency Expenses	20,826.55		129,358.61		19
General Expenses and Taxes	22,069.80		103,183.84		94
Losses through Fall in Value of Securities	156.75		1,698.75		—
Reserve Fund for Current Risks . . .	(*) —		440,190.25		(*) 16
Reserve Fund for Claims	7,400—		47,146.53		—
Sinking Fund	1,075.15		1,951.70		—
Other Expenses	—		(*) 33,285.91		13
Total	217,282.65		1,804,548.86		84
Credit Balance	935.35		=		—
Debit Balance	—		64,641.47		—
Distribution of Profits:					
To the Regular Reserve Fund	935.35		—		—
Total	935.35		—		—

(*) The Society has no reserve fund for current risks, as the insurance year corresponds with the

(x) The Society has no reserve fund for current risks, as the insurance year corresponds with the

1911.

TABLE I.

BALANCE SHEETS			
Line No.	Badische Pferdversicherungs- Anstalt of Karlsruhe		Garantie Fährwerk of Paris
	fr.	c.	
			CREDITS :
			Guarantors' Bonds
1—	—	—	Cash
65	1,935.62	7,219.60	Mortgage Bonds
	395,895.10	—	Securities
25	147,868.75	98,595.50	Deposits
1—	8,650.—	9,211.50	In the Banks
75	—	74,891.65	Agents and Policy Holders
10	91,862.76	165,471.24	Various Debtors
	—	60,308.60	Interest and Rent Due
	4,362.93	—	Furniture and Stock
1—	11,673.50	—	Other Credits
	37,259.89	17,225.—	Profit and Loss Account (Debit Balance)
	64,641.47	—	
175	764,150.02	432,923.39	Total
			DEBITS :
3—	—	—	Share Capital
520	212,437.20	111,801.27	Regulation Reserve Funds
	25,597.24	—	Special Reserve Funds
	440,190.25	(*) 16,000.—	Reserve Fund for Current Risks
0—	47,146.52	—	Reserve Fund for Claims
	—	176.64	Commissions and other Expenses to be Paid
355	38,040.62	12,850.70	Various Creditors
	738.09	292,094.28	Other Debits
	—	—	Profit and Loss Account (Credit Balance)
475	764,150.02	432,923.39	Total

These figures refer only to contracts passed in Switzerland. — (*) Placed to the Reserve Fund.

It must therefore be borne in mind that in terms of the law of December 22nd., 1893 on the improvement of agriculture, when an association of owners of livestock declares that insurance must be compulsory within a certain area (commune, district or canton) the Confederation will pay, through the Cantons, subventions equal to those the same cantons grant to the insurance societies. In 1911 such subventions were granted by 17 cantons. Table II shows the extension of insurance in the various cantons and the amount of the cantonal and federal subventions. As the report of the Department of Commerce, Industry and Agriculture for 1911 did not indicate the amount of the value assured in the case of certain cantons, the Federal Insurance Office has estimated the amount approximately on the basis of the average of the other cantons. The average value of large livestock is estimated at 500 frs. per head, of small livestock at 85 frs. and of goats at 36 frs. the head.

The amount assured at the end of 1911 was therefore about 364 millions of francs. The cantons granted on an average a subvention of about 1 fr. per head of large livestock and 41 frs. per head of small livestock or goats that is 1.24 frs. per head of livestock generally. The subsidies given by the Confederation were equal to those of the Cantons.

§ 2. LOCAL LIVESTOCK INSURANCE SOCIETIES OF THE CANTON OF BERNE

Desiring to give an example of the financial results of the local livestock insurance societies for comparison with those above shown for the private societies working over large areas, we have selected the local societies of the canton of Berne, in which livestock insurance is especially developed. From the detailed annual reports of the Management of Agriculture of the Canton of Berne we derive the following data which seem to us the most important.

The local insurance societies working in the canton of Berne between December, 1910 and November, 1911 were 322 in number, of which 244 were German and 78 French; however, only 321 received subsidies from the canton in the year, as one Geneva society has not yet commenced working. In order to obtain the cantonal subsidy, the banks must forward their rules and annual balance sheets to the Cantonal Management of Agriculture which carefully examines them.

In 1911 the number of owners of horned cattle insured was 24,994 (23,400 in 1910), that of owners of goats 1,063 (708 in 1910), that of owners of pigs 82 (99 in 1910). The number of horned cattle insured increased from 192,782 in 1910 to 203,138 in 1911; that of the goats from 1,768 to 2,734; that of the pigs fell from 337 to 293. In 1911, the number of losses among the horned cattle was 4,813, among the goats 121, among the pigs 9; the estimated value of the animals for which compensation was granted amounted to 2,305,600 frs., 4,925 frs., and 630 frs. respectively, with a considerable increase on the figures for the previous year; thus the average value of the animals for which

sation was given was respectively 479.05 frs.; 40.30 frs.; and 70 frs. figures are in conformity with the general experience of the cantonal in value of the livestock and therefore of the rise in price of meat in many countries.

The following table shows the total revenue and expenditure of the 321 societies subventioned by the canton:

Local Livestock Insurance Societies of the Canton of Berne.

REVENUE	EXPENDITURE
Contributed by the Livestock Owners: . . .	(a) Compensation to Livestock Farmers:
Entrance Fees . . . 50,777.27	(1) Profit on the Sale of
Annual Premiums . . 333,270.37	Utilisable Animals (*) 1,114,810.50
Supplementary Premiums 38,123.32	(2) Payments in Cash . . 723,860.41
Grants, Interest, Donations etc. 26,677.36	
Total . . . Frs. 448,848.32	Total . . . Frs. 1,838,670.91
Profits from the Sale of Animals Killed . . 1,114,913.05	(b) Working Expenses and
Grants from the Federal Government 407,486.80	Sales 125,148.38
Advance of 304 Societies Bought Forward 677,658.48	
Total . . . Frs. 2,648,906.48	Total . . . Frs. 1,963,819.29
	Net Balance of 321 societies on December 31st, 1911. Frs. 68,508.19.

(*) After deduction of 112.55 frs. extra profit not paid over.

Of 4,813 cases of loss among the horned cattle, 187 were due to anthrax; of these cases compensation was given to the amount of 14,090 frs. from a special fund for compensation for livestock administered by the Department of Agriculture of the Canton. In the other 79 cases no compensation was made from the fund, partly because the animals in question had not yet reached the age of 6 months; and so had no right to this compensation, partly because they had not been vaccinated against anthrax.

A special fund for insurance of livestock administered by the Canton was amounted on December 31st, 1911 to frs. 517,251.35; among the receipts were included interest on deposits in the Mortgage Bank, amounting to 20,779 frs. and 34,270 frs. for 342,300 livestock certificates. Among the expenses there were frs. 2,934 for health certificates for livestock, 5,040 frs. subventions to the local insurance societies. Table III shows the profit and loss accounts and balance sheets of 51 of these societies of the circles of Aarberg, Aarwangen and Berne.

Subvention
1919

Cantons		Amount Assured	Animals Insured
		fr.	
1. Zurich	{ Large Livestock	51,427,348	98,727
	{ Small Livestock	1,348,337	16,189
2. Berne	{ Large Livestock	(1) 101,569,000	203,138
	{ Small Livestock	257,295	3,027
3. Uri		4,654,830	9,236
4. Glarus		5,666,412	11,107
5. Fribourg		34,000,838	62,703
6. Solothurn	{ Large Livestock	17,054,000	39,985
	{ Goats	284,943	7,832
7. Basle-City		(1) 790,500	1,581
8. Basle-Country	{ Large Livestock	(1) 6,174,000	12,348
	{ Goats	1,188	33
9. Schaffhausen	{ Large Livestock	5,792,825	10,626
	{ Small Livestock	294,665	3,069
10. Grisons		30,445,992	62,972
11. Aargau	{ Large Livestock	(1) 33,077,500	66,155
	{ Goats	247,824	6,884
12. Thurgau	{ Livestock over 1 1/2 years	(1) 26,195,500	52,391
	{ Livestock under 1 1/2 years	(1) 990,250	11,650
13. Ticino		1,609,360	5,046
14. Vaud		25,976,081	42,582
15. Valais		5,766,286	17,600
16. Neuchâtel		(1) 4,072,000	8,144
17. Geneva		5,574,570	9,712
Total { A (2)		(1) 359,786,742	714,053
Total { B		3,424,592	48,684
Total		(1) 363,211,244	762,737

(1) Estimated Amounts. — (2) A = Large Livestock, horned cattle, livestock 1 1/2 years

Insurance in 1911.

TABLE II.

	Ins. Paid per Disaster	Cantonal Subventions		Federal Subventions
		Total	per Head of Livestock	1912
	frs.	frs.	frs.	frs.
60	211.00	198,028.73	2.01	
35	37.00	5,850.62	0.36	203,879.35
57	150.00	203,138.00	1.00	
84	14.50	605.40	0.20	403,743.40
24	214.00	22,451.37	2.43	22,451.37
84	202.00	20,000.00	1.80	20,000.00
17	88.00	50,162.40	0.80	50,162.40
65	119.00	39,985.00	1.00	
57	18.00	2,477.00	0.32	42,462.00
60	246.00	4,565.00	2.89	4,565.00
54	93.00	12,348.00	1.00	
40	32.00	13.20	0.40	12,361.20
33	280.00	26,556.77	2.50	
56	45.00	1,660.03	0.54	28,216.80
89	278.00	122,036.97	1.94	122,036.97
50	87.00	66,081.25	1.00	
14	16.00	3,395.65	0.49	69,476.90
78	115.00	52,391.00	1.00	
7	53.00	5,825.00	0.50	58,216.00
10	173.00	2,625.00	0.52	2,625.00
2	198.00	63,873.00	1.50	63,873.00
5	155.00	17,600.00	1.00	17,600.00
5	147.00	7,118.32	0.87	7,118.32
15	132.00	19,424.00	2.00	19,424.00
19	161.00	928,384.81	1.30	
3	28.00	19,826.90	0.41	948,211.71
2	148.00	948,211.71	1.24	948,211.71

Livestock less than 1 1/2 year old.

§ 3. PRIVATE HAIL INSURANCE SOCIETIES.

As in previous years, so also in 1911 hail insurance was only transacted by two mutual societies: the *Swiss Hail Insurance Society* at Zurich and the *Paragrêle* at Neuchâtel. The first works in the whole territory of the Confederation and insures all kinds of agricultural produce, the second, on the other hand, limits its operations to the canton of Neuchâtel and insures vines.

In 1911 hailstorms were exceptionally frequent; 664 communes were affected and there were 34 days on which there were violent storms; not to mention local hail storms by which only one or two communes suffered. Thus in 1911 the insurance societies suffered heavier losses than ever since their foundation. In the following table in which the working year 1911 and 1910 are compared, the figures are very significant:

	1911	1910
(a) <i>Swiss Society</i> :		
1. Number of Policies	61,931	60,456
	frs.	frs.
2. Amount Assured	71,322,080 —	67,420,780 —
3. Premiums Collected	1,138,311.80	1,060,603 —
4. Claims Paid	1,419,553.10	1,104,378.10
(b) <i>Paragrêle</i> :		
1. Number of Policies	677	626
	frs.	frs.
2. Amount Assured	718,210.85	625,020 —
3. Premiums Collected	86,355.30	37,565.25
4. Claims Paid	171,328.80	50,800.80

In the report of the *Swiss Society* for 1912 we find a further increase in the number of policies (frs. 65,361), in the amounts assured (79,857,400) and in the premiums collected, (frs. 1,353,783.60), an evident sign of greater diffusion of thrift among the rural classes of the Confederation and information is also given as to how the increase in the amount insured is distributed among the various crops. The most important are for cereals, 3,097,370 frs., fruit, 2,185,950 frs., vines, 1,772,830 frs., 763,550 frs., vegetables and miscellaneous produce, 423,610 frs., 292,930 frs., hemp and flax, 2,100 frs. There is a slight decrease in the amount of maize and tobacco insured, altogether 2,460 frs. In 1911 members cancelled their contracts, more than half of which, that were for the insurance of vineyards, which, according to the *Matras* of the *Swiss Society*, is a new proof of the serious crisis Swiss viticulture is passing through.

The average amount assured per policy increased from 1,152 frs. in 1911 to 1,222 frs. in 1912 (1).

In the report of the federal office it is noticed with pleasure that in the year 1911 the *Swiss Society* was able to pay the claims made on it without having recourse to the exaction of supplementary premiums. For the fourth time in five years its reserve fund sufficed to cover all losses: in 1911 it had to use 341, 571.72 frs. for the purpose.

The year 1911 was much less favourable for the *Paragrêle* than for the *Swiss Society*. To meet its losses, the society had to call on its members, in conformity with its rules, for a supplementary premium equal in amount to the usual annual premium. Besides, the members who suffered losses had to forego 20 % of their claims. Finally the society had to deduct an amount of 92,775 frs. from its reserve fund to meet the claims on it so that the reserve fund was reduced by half (from 185,500 frs. at the end of 1910 to 92,775 frs.).

The reserve fund of the *Swiss Society* increased from 3,415,404.80 at the end of 1910 to 2,957,527.07 frs. at the end of 1911 and in 1912, thanks to the less frequency and seriousness of the hailstorms, the society was able to pay into the reserve fund the profits for the year, namely 505,829 frs., besides other revenue from agents' credits, interest on capital, and on deposits in the banks etc., so that at the end of 1912 it had a total credit of 624,516.12 frs. In its report the management, rightly, declares that the anxiety of the society must be to obtain, by reinforcing its reserve fund, means for supporting if necessary a long succession of disastrous years, without having to call on the insured for the payment of supplementary premiums or to reduce the compensation due to them. And, in fact since the policy holders in this society have not paid supplementary premiums, we remember finally that the proportion of the expenditure and commissions to the amounts of premiums collected in 1911 was 17.6 % in the case of the *Swiss Society* and 11.1 % in that of the *Paragrêle*.

In 1910 the *Swiss Society* decided to reduce the premium for those policy holders who for three successive years had not reported any disaster; a reduction which was fixed at 10 % was granted on 30,520 policies, for an amount of 50,958.50 frs. and in 1912 on 33,784 policies for an amount of 32,10 frs. This reduction is an opportune arrangement to bind to the society those policy holders who have paid their premiums for several years, without receiving anything in return, and at the same time is an expedient for reducing the number of claims for losses which do not require compensation, claims causing useless expenditure to the society and disappointment to the members themselves.

The following table shows the extension assumed by hail insurance in various cantons and the amount of the cantonal and federal subven-

(1) In Germany in 1910 the average amount assured was 4,629 mks, and in Austria in 1911 it was 2,961 frs.

TABLE IV.—The Development of *Hail Insurance in Switzerland, 1911-1918.*

Cantons	Number of Policies	Amount Assured	Amount of Premiums Collected	Cantonal Subventions				Federal Subventions
				(a) Expenses of Policies			(c) Total	
				Frs. C.	Frs. C.	Frs. C.		
1. Zurich	5,469	5,129,700	12,343.80	10,829.90	30,898.27	41,688.17	20,844.08	
2. Berne	12,916	18,238,700	23,828.30	26,963.45	68,002.64	95,966.09	47,985.04	
3. Lucerne	5,293	11,239,340	17,833.00	11,932.40	35,666.98	47,599.38	23,749.69	
4. Schwyz	800	1,683,900	3,015.86	1,698.50	9,004.74	10,663.24	5,331.62	
5. Upper Unterwalden	289	243,540	4,115.86	517.60	823.12	1,340.72	670.36	
6. Lower Unterwalden	404	440,200	10,200.64	754.10	1,868.44	2,614.54	1,307.27	
7. Zug	739	1,763,180	29,798.30	1,598.70	8,939.49	10,538.15	5,260.00	
8. Fribourg	1,704	2,683,560	27,853.20	3,157.60	5,308.64	8,466.24	4,413.12	
9. Solothurn	3,817	3,194,490	36,118.20	7,081.30	7,222.64	14,304.94	7,154.47	
10. Basle-City	36	39,700	1,354.00	73.80	541.60	615.40	307.70	
11. Basle-Country	2,696	1,688,100	21,906.10	5,152.86	6,996.91	12,149.31	6,074.65	
12. Schaffhausen	2,479	1,986,630	34,664.00	4,366.60	8,665.95	12,022.35	6,461.27	
13. Appenzell A. Ext.	747	980,600	15,832.30	1,398.86	4,749.69	6,143.49	3,071.74	
14. Appenzell R. Int.	98	173,670	2,032.80	98.00	304.92	402.68	201.46	
15. Saint Gall	3,523	3,945,690	53,992.60	8,165.70	12,609.02	20,774.72	10,387.36	
16. Aargau	11,745	7,201,270	109,207.90	21,107.00	32,762.37	53,666.37	26,934.68	
17. Thurgau	3,953	3,107,820	36,236.30	6,818.00	11,553.12	18,371.12	9,185.56	
18. Valais	3,531	5,778,700	115,813.50	9,944.40	34,744.05	44,688.45	24,344.22	
19. Vaud	73	26,020	3,063.70	102.60	919.71	1,022.31	505.15	
20. Neuchâtel	1,166	1,355,850	100,143.70	401.56	48,058.26	48,459.82	20,229.91	
21. Geneva	453	994,240	40,813.40	1,043.79	18,736.20	19,780.00	9,884.95	
Total 1911	61,991	72,036,190	1,219,585.02	123,241.51	341,579.36	464,820.87	232,410.39	
1918	60,997	67,984,656	1,009,461.35	118,897.55	270,339.35	389,236.90	194,618.27	
1900	40,297	62,000,481	1,000,484.25	115,353.35	257,019.25	372,372.60	170,640.44	

The subventions to hail insurance societies are granted by the Confederation in virtue of articles 13 of the federal law of December 22nd., 1893 for the Improvement of Agriculture and 76 of the Regulations of July 10th., 1911, for the application of the above law. The cantons that granted subventions in 1911 were 21; only Uri, Glarus, Ticino and Grisons gave subventions to this branch of insurance, and thus the farmers in these cantons also lost the federal subvention. All the other cantons contributed to the extension of hail insurance, undertaking on their own account payment of a part of the premiums and the expenses of the policies (from 15% to 40 %). The Confederation, on its side, repays the cantons the half of the expenditure thus incurred. And the fact that the Swiss farmers have paid between 1886 and 1911 hail insurance premiums to the amount of about 17 million francs shows that they on their side, appreciate the advantages of this form of thrift.

Part III: Credit

CONGRESS OF THE INTERNATIONAL POSTAL SAVINGS BANKS AND THE INTERESTS OF AGRICULTURE.

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§ I. INTRODUCTION.

The institution of Postal Savings Banks dates from September 1861, when the first in the United Kingdom were opened to the public. In the half century since that memorable day the system has spread from Great Britain to more than fifty States and Colonies. On account of their financial importance, the beneficent effects they have had on the economy of the humblest social classes, and very often on the revival of the finances of the State itself, the manifold services rendered by them in many countries in addition to that of being trustworthy collectors of savings and the special tendency they manifest to extend their action beyond the borders of their own State, the Postal Banks have now such an economic and social significance as to call for the closest attention as institutes of the greatest collective and international importance.

But not only for these reasons of a general nature; also from another point of view is it a matter of capital importance for whoever deals with the economic problems of agriculture to examine the development and action of the Postal Savings Banks.

Above all for the reason that, by virtue of their special organization they extend themselves and exercise their functions even in the small rural communes, where, either through want of enterprise or the absolute impossibility of doing sufficient business and therefore of subsisting by means of an independent organization, neither the ordinary savings banks nor sections of people's banks or of social thrift institutes could develop.

Again it is very advantageous to understand the financial importance of the Postal Banks and study in what way they invest the funds at their disposal, after the repayments requested have been made. Do the Postal Banks observe the rule that many economists and statesmen would like the Savings Banks to observe, namely, that the savings deposited should be invested in the region in which the banks work? In what degree and in what combination is the money received in the Postal Banks from the agricultural districts and classes invested again for the advantage of agriculture?

In view of the importance of these institutions, we shall therefore attempt in this article to give an account of the origin, development and organization of the Postal Savings Banks, their character and their advantages, the various offices they perform, the amount of the capital at their disposal and in what way it is invested.

ORIGIN, DEVELOPMENT AND ADVANTAGES: THE INTERNATIONAL SERVICE
OF THE POSTAL BANKS AND THE EMIGRANTS' DEPOSITS SERVICE.

The idea of the new institutes originated with an English merchant, Charles William Sikes, who was moved to promote their foundation by knowledge of the conditions of the lives of working men and the conviction of the necessity of diffusing the spirit of thrift among the humblest social classes.

In 1861 there were in the whole United Kingdom 638 savings banks for every 43,000 inhabitants. But they were not distributed regularly over the country; there were some industrial centres and some islands in which there were no savings banks. In other places they existed indeed, but at such distances from each other that about half the depositors had to travel from 6 to 20 English miles to reach the nearest. Naturally under these conditions most of the people were unwilling to incur the inconvenience of a long journey in order to deposit their small savings. Add to this, that of the 638 institutes existing in 1861 only 20 were open every day, 355 on a week, 54 once a fortnight and 10 once a month. Most of the other institutes were open for business once a week, but only in certain periods of the year.

It is easy to understand that under these conditions a good reception was given to the new postal banks, advocated by Charles William Sikes and sanctioned by Parliament in the law of May 17th, 1861, proposed by Mr. Stansfeld.

On September 16th., 1861, 301 Postal Banks were opened, above all in places where there were no Savings Banks. At the end of 1861 there were 25,729 depositors who had deposited £6,526,400. On December 31st., 1866 there were 4,047 offices receiving the savings of 1,085,875 depositors, but at the same time the private Savings Banks were losing a large part of their custom.

As a result of this successful experiment, Postal Savings Banks were introduced into other Countries: first in several English Colonies, and later in other States as shown in the following chronological list:

Great Britain	1861	6. Belgium	1870
Australia	1863	7. New South Wales	1871
Victoria (1)	? 1865	8. Japan	1875
New Zealand	1867	9. Italy	1876
Canada	1868	10. Straits Settlements	1879

[1] In 1897 the Postal Savings Banks of Victoria ceased working and were united with the ordinary Savings Banks.

11. Roumania	1880	30. Bulgaria	1881
12. Holland	1881	31. Sierra Leone	1882
13. France	1882	32. Orange Free State	1882
14. British India	1882	33. Dutch Indies	1882
15. Tasmania	1882	34. Egypt	1882
16. Gibraltar	1882	35. Crete	1882
17. Austria	1883	36. Federated Malay States	1883
18. Cape of Good Hope	1884	37. Curaçao	1884
19. Sweden	1884	38. Dutch Guiana	1884
20. Ceylon	1885	39. Rhodesia	1885
21. Tunis	1886	40. Turkey	1886
22. Hawaii (1)	1886	41. Gold Coast	1886
23. Hungary	1886	42. Philippine Islands	1886
24. Bahamas	1886	43. South Nigeria	1887
25. Finland	1887	44. East Africa and Uganda	1887
26. Russia	1889	45. United States	1889
27. British Guiana	1889	46. Brasil	1889
28. Transvaal	1893	47. Bosnia-Herzegovina	1893
29. Formosa	1895	48. Portugal	1895

Note.— From this list some countries of minor importance have been omitted, as their case we have not been able to discover the year of the first institution of the savings banks.

(1) In 1897 the Postal Banks of Hawaii ceased to exist.

The Postal Savings Banks do not exist as separate institutions dependent on the Postmaster General's Department in all of these States. In the above list, we have included the names of these States which, instead of real and true postal banks, have instituted a system of Government Savings Banks dependent on a State Bank or the Department of Finance opened in connection with public offices, factories, etc., with, however, the same objects as the postal banks and acting above all through agencies opened in connection with the post offices. On the other hand, it is to be observed that the postal banks, even in the countries where they exist as institutions dependent on the Postal Department, in order to reach all the classes of the population and collect their savings under all favourable conditions, have established agencies for collection in factories for workmen, in schools for school children, on board ships for sailors or emigrants, in public institutes, in the streets with automatic collectors, etc. Thus we are fully justified in including the Government institutions of popular savings in a single study and under one name corresponding with the most important section of the organisation.

The wide dissemination of the Postal Banks may be attributed to two causes: on the one hand, to the advantage for the State of using of immense financial resources; on the other, to the advisability of saving for the less fortunate classes and those who require to be saved to economy and thrift, financial organisations presenting the advantages of popular institutions. These advantages may be summarised as follows:

(a) *Safe Investment.* — Since the State (or a State financial institute, the Imperial Bank in Russia) guarantees the amounts deposited and interest on them, the poorest classes, with no business experience, ignorant and indisposed to risky investments, readily entrust their savings to the postal bank, even if the interest is low, because more than anything else they desire a safe investment for their capital and have the utmost confidence in the solvency of the State.

(b) *Convenience for the Depositor.* — Labourers, small farmers, housewives, clerks, schoolmasters, inferior employees, all who belong to the lower classes, or the lower middle classes, must be given every facilitation to deposit their small savings as soon as they are made in safety and out of the reach of all temptation to spend them. For all these people, occupied the whole day, the Savings Banks must be near and open even in the hours when their work is over.

The Postal Banks succeed in satisfying these conditions which the ordinary banks do not. In fact the former may exist even in small villages in various quarters of the same city and remain open from morning till evening, because in most cases their work may be performed by post office clerks without any increase of expenditure for the working of the bank, whereas a special savings institute would require and would not be able to afford a large staff.

With these very considerable advantages of the distribution and convenience of the hours, the organization of the Postal Banks permits of other advantages which serve to stimulate the formation and maintenance of the savings banks. Since the Postal Department has offices in every part of the country for work in connection with correspondence, so gradually the system has been extended in the various countries of allowing any one who has a pass book to go to any office to deposit or withdraw at any other office authorized for savings bank business, using the same book for the purpose.

The advantage of this is evident and is becoming greater and greater with the increased ease with which workmen and above all the agricultural labourers move from district to district, from the country to the city and the increased necessity for their doing so, in seeking work either for an indefinite time or for a whole season. The labourer carries with him his postal savings bank book, by means of which he can immediately deposit his savings as soon as made, and withdraw them in case of need.

International agreements between the postal administrations of different countries allow of the advantage of using the same book for savings bank business at any time or place being extended beyond the boundaries of the native land in the case of emigrants. In fact, by international agree-

ment between certain States (Italy with France, Egypt and Great Britain, Belgium with France and Holland, etc.), depositors in the Savings Bank of one country, who establish themselves in one of the States adhering to the agreement, may transfer their account to the Postal Bank of the country of their new residence or, in anticipation of their return to their own country, preserve their original pass book, by means of which they can obtain repayments during their residence abroad.

In 1910 the following repayments and transfers were made by means of books issued in

	Number	Amount
France	1,239	Fr. 604,855
Egypt	14	" 13,640
Great Britain	9	" 10,972

And in the same year the following repayments and transfers were made by means of books issued in Italy in:

	Number	Amount
France	979	508,562
Egypt	24	28,909
Great Britain	7	2,365

In some countries, also where the movement of emigration has assumed large proportions, a wise provision has been made for facilitating the deposit in the National Postal Banks of the savings made by emigrants while abroad. In this way both the emigrants and their native land benefit: the emigrants, being incited not to waste their earnings but to capitalize them and send their deposits to the Postal Banks by means of agencies are saved from the danger of confiding their money to dishonest hands while the mother country in the deposits made by the emigrants receives considerable amounts of money for investment. In this matter the initiative was taken by Italy with the Decree of November 7th., 1889, afterwards confirmed by law of February 1st., 1901, authorizing the Bank of Naples to undertake the service of collecting the savings of the Italians abroad, to be entered in postal savings bank books either in their own name or in that of other persons, wherever living. The emigrant may, however, make use for the despatch of their money of international

consular money orders, and may also have recourse to any bank in which they have confidence. For these deposits the Italian law fixes no other limit than the minimum of 1 franc. However, interest is only given on amounts exceeding 10,000 fr. and there is no compound interest given. The amounts paid in excess bear no interest, and not more than one book can be issued for the same person. Books issued to persons living abroad are, as a rule, kept by the Postal Department, unless the parties ask for them to be sent to them or consigned to third parties. The savings bank books are personal: so the amounts entered in them cannot be repaid except at the request of the owners or their legitimate representatives. In order to withdraw an amount the owner in possession of the book must forward it to the General Management of Savings, after having completed and signed the first schedule still remaining blank in it and having his signature attested by the Italian Consul, who lends his services free. To withdraw an amount when the book remains in the custody of the General Management of Savings or in the hands of some other persons it will be enough for the owner to forward to the Management, instead of the usual receipt, an application indicating the number of the book, the name and address of the person in whose charge it is, the amount to be paid and the person to whom it is to be paid over. Illiterate owners of books may also withdraw amounts, provided the crosses they make on the schedules or the applications are attested by the Consul or by regular power of attorney signed by a notary authorized by the Consul. Special powers of attorney for savings bank business are exempted from stamp duty, and any charges for attestation and legalization on the part of the Department of Foreign Affairs.

The results attained by this system have been excellent. In 1890 100,000 books were issued in which deposits were entered to the amount of 87,310 fr.; in 1900 the books issued were 6,811 in number and the deposits made the year 5,998,703 frs. In 1907 the maximum amounts were reached 77,900 books and 81,570,166 frs. deposited. From 1890 to 1912 the deposits (exclusive of capitalised interest) amounted to 549,405,747 frs.

After Italy, other States (Austria, Hungary, Bulgaria) made provision that the savings of their citizens emigrating in search of labour should return to the mother country.

It was precisely to reduce or at least to retard this exodus of capital that the United States of America in 1910 established Postal Banks, especially in the industrial centres, for the purpose of collecting the savings of the foreign labourers.

§ 3. ECONOMIC ORGANIZATION: RULES REGARDING DEPOSITS,
INTEREST AND WITHDRAWALS.

After these general remarks on the origin, development and external organization of the Postal Savings Banks, let us cast a glance at their organization, in order better to establish the character of these institutions, as to the nature and limits of their business, with reference to the principles governing them. We shall, therefore, in this article, the object of which is to exhibit the Postal Savings Banks as financial institutes of importance to agriculture and the agricultural classes, not attempt to give even a brief account of the general system of their accounts as kept in the central office or of the various systems (of centralisation and decentralization) adopted by the different administrations for their book keeping, the powers conferred on the post offices for the banking operations involved etc.

What concerns us most to know is the limit fixed for deposits and withdrawals and the rate of interest, since the rules on these two points best show the economic nature of the institutions we are considering.

(a) *Deposits.* — The Postal Savings banks founded as institutes of popular character, have generally fixed a maximum limit for the deposit at least for the deposits bearing interest, that any individual may make. In this way the economic function of these institutes is confirmed, of collecting the savings of persons of small means with the object of facilitating their accumulation and of keeping them safely invested even at not at high interest. The Postal Banks generally do not desire to serve rich capitalists who can easily avail themselves of the ordinary savings banks for the temporary or permanent deposit of large sums and of the financial institutes for profitable investments. It was thus intended to attract at one and the same time these two results; on the one hand, the accumulation of savings by the poorest classes of society; on the other, the less degree of competition with other financial institutes, on the money market as large capitalists, on account of the limits fixed for the deposits and the low rate of interest, will not be much attracted to invest their money in the State Banks.

In fact as far as the low limit of the deposits allows, all those who for reasons of trade, for commissions, for study, or for agency business, are compelled to make continual journeys from one part of the State to another where they have to remain for a longer or shorter period, profit more and more by the advantages offered by the organization of an immense clo network of postal banks. Others, who profit in the same way are the proprietors of average sized holdings, professional men, clerks, etc., who make temporary deposit of the money they intend to spend in the year or to employ in purchase of securities or in loans when the amount is little larger. In many countries also the use of postal savings bank book

being more and more common among families that periodically profit from, depositing in them in certain seasons of the year the surplus of ordinary incomes which they wish to use for travelling, summer holidays, etc.

From the following table, we have formed chiefly by means of data furnished by the National Monetary Commission, instituted by the Senate of the United States of America, precise information may be obtained with regard to the maximum and minimum limits, fixed for deposits in the Postal Savings Banks of the majority of the countries of the world, that have instituted the service of banks.

In some countries no difference is made in the maximum limit of deposits with and without interest (namely in the United Kingdom, West Africa, Straits Settlements, Canada, British Guiana, Bahamas, Cape of Good Hope, Orange Free State, Sierra Leone, Southern Rhodesia, Gold Coast, France, Russia, Japan and Formosa for private deposits, Austria, Bulgaria, Egypt).

TABLE I. — *Limit Fixed for Deposits in Postal Savings Banks in Some States.*

States	Maximum Deposit	Maximum Deposit bearing Interest	Minimum Deposit	Limit of Deposits per week, month, or year
United Kingdom	£ 200	£ 200	1 shilling	£ 50 per year
<i>British Empire:</i>				
New Zealand	No limit	£ 600	— do —	None
New South Wales	— do —	£ 500	— do —	— do —
West Australia	£ 1,000	£ 1,000	— do —	— do —
Tasmania	£ 300	£ 250	— do —	— do —
British India	Adults 5,000 rupees Minors 4,000 rupees	Adults \$ 648.86 Minors \$ 324.43	4 annas	1,500 rupees per ann.
Ceylon	2,000 rupees	1,500 rupees	25 cents	300 rupees per ann.
Straits Settlements	\$ 851.64 (gold)	\$ 851.64 (gold)	56.8 cents (gold)	\$ 283.88 per ann.
Federated Malay States	\$ 1,479 (gold)	\$ 1,135 (gold)	38 cents (gold)	\$ 283.88 per ann.
Canada	\$ 3,000	\$ 3,000	\$ 1	\$ 1,000 per ann.
British Guiana	\$ 1,500	\$ 1,500	1 shilling	None
Bahamas	\$ 975.50	\$ 975.50	— do —	\$ 195.12 per ann.
Cape of Good Hope	£ 600	£ 600	— do —	\$ 100. per ann. (except in the case of Societies).
Texas (note)	\$ 600	\$ 300	1 shilling	\$ 200 per ann.

Italy	No limit	L. 4,000 L. 10,000 for case of emigrants' depos- its	1 lira	L. 4,000 per ann.
Belgium	— do —	Frs. 3,000 at 3%. 2% on the entire depos- it, when it exceeds 3,000 frs.	1 fr.	Not more than 5,000 fr. in a fortnight, unless authorized.
Russia	1,000 roubles for in- dividuals. No limit for churches and monasteries.	1,000 roubles for in- dividuals. No limit for churches and monasteries.	25 kopecks	Not more than 50 ron- bles at a time
Finland	\$ 193	\$ 193	1 Finland marc	\$ 193 per ann.
Holland	No limit	2,000 florins for indi- viduals 2,400 florins for as- sociations.	$\frac{1}{4}$ florin	None
Dutch East Indies	— do —	\$ 1,000	$\frac{1}{4}$ florin	None
Dutch Guiana	— do —	\$ 600; for associations \$ 1,200	1 florin	None
Curaçao (Dutch Colony)	— do —	2,000 florins; for char- itable institutions 2,000 florins.	$\frac{1}{4}$ florin	None
Japan	1,000 yen for indi- viduals. No limit for associations	1,000 yen	10 sen	None. For deposits of postage stamps the limit is 1 yen per month.
Formosa	— do —	— do —	— do —	— do —
Austria	2,000 crowns	2,000 crowns	1 crown	500 crowns, deducting repayments.

TABLE I (Continued). — Limits Fixed for Deposits in Postal Savings Banks in Some States.

States	Maximum Deposit	Maximum Deposit bearing Interest	Minimum Deposit	Limit of Deposit per week, month, or year
Hungary	4,000 crowns for individuals; 8,000 crowns for associations	4,000 crowns for individuals; 8,000 crowns for associations	$\frac{1}{2}$ crown	
Sweden	No limit	2,000 fr.	1 crown	None
Bulgaria	2,000 fr.	2,000 fr.	1 fr.	None
Egypt	£ E. 200	£ E. 200	50 millèmes in post office; 10 millèmes for the rural service	£ E. 50 per ann.
Philippine Islands	No limit	1,000 pesos for individuals; 2,000 pesos for societies	1 peso	In offices of the first class no limit. In those of the second class 100 pesos for each separate deposit and 200 per month; in those of the 3rd class 25 and 50 pesos respectively. Double for societies.

Conversion of the above money at par into fr.

Pound (gold) = 20 shillings
 Taler (gold) = 20 shillings
 New Zealand dollar = 2 shillings
 New Zealand dollar = 2 shillings
 New Zealand dollar = 2 shillings

fr. 25.214
 fr. 25.214
 fr. 25.214
 fr. 25.214

Crown (gold) (Sweden)
 Egyptian Pound
 Egyptian Pound
 Egyptian Pound
 Egyptian Pound

100 fr.
 100 fr.
 100 fr.
 100 fr.
 100 fr.

fr. 1.289
 fr. 25.215
 fr. 2.59
 fr. 2.59
 fr. 2.59

In other States, again, a certain limit is fixed for the deposits bearing interest and it is permitted to make deposits to an indefinite amount without right to interest (as in New Zealand, New South Wales, Tasmania, British India, Ceylon, Federated Malay States, Transvaal, Italy, Holland, Dutch Guiana, Curaçao (Dutch Colony), Sweden, Philippine Islands). In this way again two objects are attained, of providing essentially for the needs of the less fortunate classes of society and not altering the conditions of the money market by an enormous concentration of capital in the State Banks and at the same time allowing the depositors at least temporarily to entrust their savings in excess of the limit fixed by law for deposits at interest, to the Postal Banks, where their money will be safe. Those in fact who are disposed to allow their capital to remain without interest are such as will not or cannot offer it for the hazardous investments of the market and have need of an absolutely safe institute to which to consign it so as not to fall a prey to dishonest speculators.

In Belgium it has, however, been thought possible to maintain the character and functions of the Postal Banks without recourse to so radical a measure as refusing any interest on deposits above a certain limit. There, a rate of interest of 3 % has been fixed for deposits exceeding 3,000 frs. and 2 % for larger amounts.

In fixing the limits, the rules for certain Postal Banks make a distinction between deposits made by public bodies (provinces and communes), charitable institutions, associations of public utility and not for speculation, (such as mutual, relief associations etc) churches, monasteries, etc. the deposits made by individuals. These countries are France, Russia, Germany, Hungary, Dutch Guiana, Curaçao (Dutch Colony), Philippine Islands. France has fixed 1,500 frs. as the limit for individual deposits and 15,000 frs. as that for deposits made by special associations mentioned by law. Russia has established that private persons cannot deposit more than 1,000 roubles, but has fixed no limit for the deposits made in aid of churches and monasteries. In Italy, interest is paid on deposits up to 10,000 frs. when made by persons resident in the kingdom, and up to 10,000 when made by citizens resident abroad; but deposits ordered by the judicial authorities in the interest of minors, the incapable and absent, as well as deposits in behalf of charitable organisations, incorporated bodies enjoying civil personality, communes and provinces, in terms of the law of 28th. 1909, bear interest whatever the amount. These are conditions of favour, accorded to institutions that do not aim at making profits and do not engage in speculative business. They, however, are not inconsistent with the economic policy of the Postal Banks of not competing with the financial institutes conducting business on the money market.

The maximum limit for deposits bearing interest varies from country to country according to the special economic and social conditions of the country and the needs of the State: it is especially high in the British Colonies, where the deposits bearing interest may be £500, £600 and even £1,000.

(West Australia); in other States the amounts that can be deposited interest may vary from 1,500 frs. (France) to 4,000 frs. (Italy) (1).

In order to limit the work of the Postal Banks to dealing with small savings, in many countries the minimum amount has been fixed which may be deposited within a certain period of time.

In the above table we show for each country the minimum amount of deposits allowed. To facilitate saving even below these limits in many countries the Postal Banks freely distribute printed forms to which children or persons who cannot save more than a few centimes may attach postage stamps until they amount to the minimum accepted in deposit. These printed forms covered with postage stamps are accepted by the postal offices as deposits of money equal to the amount indicated by the total value of the stamps.

(b) *Interest.* — In determining the rate of interest the Postal Savings Banks follow the same principles as in settling the limits for the deposits. Generally the rate of interest paid by the Postal Banks is less than that paid by the other savings banks of the same country. Hence also by this means the amount of capital is limited to deposits made by those social classes that, unable to make lucrative investments, rather seek to deposit their savings in an Institute in which they have full confidence. The National Monetary Commission instituted by the United States Senate, has covered a single exception in the case of Canada, where the "Chartered Banks" (in which the deposits are more than twenty times those of all other institutes authorized to receive savings) have been obliged since 1897 to make their rate of interest equal to that of the Postal Bank.

The rate of interest is generally fixed by Ministerial Decree, as is considered advisable each year. In the United Kingdom, Canada, Holland and Hungary, the rate and its variations are fixed by Parliament. In some countries the law however limits itself to fixing the maximum and minimum rate. In Italy and elsewhere, the interest is in proportion to the yield of the deposits (and this cannot be high because the deposits are invested in loans to public corporations or in purchase of Government revenue bonds) and established in agreement with the Postmaster General, the Treasurer and the Minister of Agriculture, Industry and Commerce in such a way that the interests of the Treasury and of the Country harmonise.

Generally interest is not paid on the deposits for the whole period, but only on the part really remain deposited. In Great Britain and Sweden for example interest is only calculated by the full month. It begins from the first day of the month following the deposit and ceases on the last day of the month preceding that during which withdrawal is made. In other countries

(1) On April 6th, 1913 the Italian Council of Ministers approved a bill proposed by the Minister of Posts and Telegraphs, by which the maximum limit of deposits per book is fixed at 6,000 frs. The maximum limit for deposits of Italians resident abroad bearing interest was fixed at frs. 10,000.

interest is reckoned from the first or sixteenth day of each month following the day on which the deposit is made and ceases on the first sixteenth day of the month preceding the withdrawal.

Nor is the interest always calculated on the whole of the amount deposited: in some British and Dutch Colonies (Ceylon, Sierra Leone, Gold Coast, Curaçao) interest is not calculated on fractions of a pound or rupees or 5 florins.

(e) with regard to withdrawals also the Postal Savings Banks show that they are meant for small savings and not for the deposits of men of business. In several States it is only possible to withdraw on notice, or application sanctioned by the Central Office. This system is in force in Austria, Hungary, Sweden, Belgium, France, Great Britain etc.; where very small withdrawals can be made at sight. Application in some cases can be made by telegram, the depositors naturally paying the costs.

In Italy deposits may be withdrawn at any post office and at sight in the office by which the savings bank book was issued and where it is therefore possible immediately to check the depositor's credit in the register. In practice, however, the owner of the book may withdraw his own savings immediately even at other post offices where he is known as a trustworthy person, or in any post office on proving his identity. If the post office has not enough money, it may delay repayment for a period of seven days for amounts of not less than 100 frs.; (b) 20 days for amounts between 100 and 200 frs.; (c) 30 days for amounts between 200 and 500 frs., and (d) 60 days for amounts in excess of 1,000 frs.

Likewise in Holland it is possible to withdraw savings from the postal savings bank which issued the pass book, at sight, but not beyond the amount of 5 florins a week.

In Japan provision has been made for withdrawal in various ways. There are ordinary and special repayments. Ordinary repayments are made on the application of the depositor to the General Management of the Savings Bank, which, after the necessary examination made, authorizes payment, within 60 days.

The special repayments are of three classes, namely:

(a) Repayments at sight. The owner of a pass book, the balance in which has been signed by the General Management of Postal Orders and Savings Bank, may withdraw at sight in any post office up to the amount of 5 yen a day and 200 yen a month;

(b) Repayments while waiting in the office. A post office especially connected to the Office of the General Management, or to one of its branches, after comparing the entries in the pass book with those in the office register, make immediate repayment when applied for by depositors, residing within the district in which it has its office;

(c) Extraordinary repayments. In cases of disaster or extraordinary circumstances, repayment may be made on a simpler system, without the ordinary formalities, to local depositors, for whom the management considers it necessary.

TABLE II. — *Rate of Interest on Deposits in the Postal Savings Banks.*

States and Colonies	Rate of Interest (per cent)	Are there Deposits on which no Interest is Paid?	Are there Classes of Deposits on which Special Interest of Favour is Paid?	In the Rate of Interest of the Postal Banks equal to that of the Ordinary Savings Banks?
United Kingdom	2 $\frac{1}{2}$	Deposits (including in- terest) above £ 200.	No.	Rate of Interest of Po- stal Banks 2 $\frac{1}{4}$ %. Rate of Interest of Ordinary Banks 2 $\frac{3}{4}$ %
British Empire				
New Zealand	3 $\frac{1}{4}$ for deposits up to £ 300; 3 for deposits between £ 300 and £ 600.	Individual deposits above £ 600.	No.	No.
New South Wales	3 for deposits up to £ 500; 2 $\frac{1}{4}$ between £ 501 and £ 3,000; 1 $\frac{1}{4}$ for deposits be- tween £ 3,001 and £ 10,000.	Deposits in excess of £ 10,000.	No.	No.
West Australia	3 (1910).	Interest is paid on all deposits.	No.	No.

Ceylon.	2.40 (for every 10 rupees deposited)	No.	Deposits less than \$ 2.84 (gold)	No.	No.	There are no other Savings Banks
Straits Settlements	3	No.	— do —	No.	No.	— do —
Federated Malay States.	3	No.	Deposits above \$ 1,000	No.	No.	The "Chartered Banks" must make their interest the same as that of the Postal Banks
Canada.	3	No.	Deposits less than \$ 4	No.	No.	
British Guiana	3 on deposits up to \$ 400; 2.40 on deposits exceeding \$ 500.	No.	Deposits made by Government Departments	No.	No.	
Bahamas.	2 1/2	No.	Deposits in excess of \$ 500	No.	No.	
Cape of Good Hope	3	No.	No.	No.	No.	
Transvaal	3	No.	No.	No.	No.	
Orange Free State	3, cannot exceed 5	No.	No.	No.	No.	
Sierra Leone	2 1/4 for every pound deposited.	No.	No.	No.	No.	
Southern Rhodesia	2 1/2	No.	No.	No.	No.	
Gold Coast.	2 1/4 for every pound deposited.	No.	No.	No.	No.	

TABLE II. — Rate of Interest on Deposits in the Postal Savings Banks. (Continued)

States and Colonies	Rate of Interest (per cent)	Are there Deposits on which no Interest is Paid?	Are there Classes of Deposits on which Special Interest of Favorit is Paid?	Is the Rate of Interest of the Postal Banks equal to that of the Ordinary Savings Banks?
United States of America	2	No.	No	No.
France	2 $\frac{1}{2}$	Deposits in excess of the maximum limit.	Special rates may be paid under special conditions	No; the Postal Bank rate must be at least $\frac{1}{8}$ % less than that of the ordinary bank.
Italy	2.54	— do —	No.	No; the rate of inter- est is fixed by that of the invested de- posits.
Belgium	3 for deposits up to 3,000 frs.; 2 for the entire deposit when in excess of 3,000 frs.; $\frac{1}{2}$ on current accounts.	No.	Small Savings.	No.
Switzerland		Deposits in excess of the maximum limit.	No.	No.

Source: *Journal of the International Postal Savings Banks*, 1910, p. 10.

Curaçao (Dutch colony)	2.4 (for every 5 florins)	No.	No.	No.	No.
Dutch East Indies	3.40	No.	No.	Rate lower than that of other Banks	No.
Japan	4.20	Deposits in excess of the maximum limit	No.	No.	No.
Formosa	4.20	— do —	No.	Almost Equal	No.
Austria	3 (Savings Section) 2 (Banking Section)	Deposits under 1 crown and over 2,000 crs.	Savings Deposits	No.	No.
Hungary	— do —	Deposits over 4,000 crs.	— do —	No.	No.
Sweden	3.60 (1910)	Deposits over 2,000 crs.	No.	No.	No.
Bulgaria	4	Deposits over 2,000 frs.	No.	No.	No.
Egypt	3	Deposits over 200 Egyptian pounds	No.	No.	No.
Philippine Islands	2 ½	No.	No.	No.	No.
Brazil	4	Deposits of less than 1,000 reis (1.67 frs.) and above a conto of reis (1,677 frs.)	No.	No.	No.

TABLE III. — Financial Situation of the Postal Banks.

	Countries and Colonies	Years	Number of Offices	Number of Depositors or Pass Books	Credit of Depositors (in Dollars, unless otherwise indicated)	Average Credit per Depositor or per Book (in Dollars, unless otherwise indicated)
1	United Kingdom (a)	1911	15,239 (in 1908)	12,370,646	176,518,508	£ 14 5s 5d
	<i>British Empire</i>					
2	New Zealand (b)	1911	687	405,566	15,543,187	£ 38 6s 6d
3	New South Wales (c)	1910	603 (in 1906)	498,558	22,453,923	£ 45 0s 7d
4	West Australia	1910	142 (in 1909)	77,165	16,498,126	£ 213.81
5	Tasmania	1906	—	21,491	2,993,126	£ 139.27
6	British India (d)	1911 (March 31st.)	—	1,430,451	287,300,000	200.60
7	Ceylon*	1909	160 (in 1908)	79,704	794,135	9.96
8	Straits Settlements	1909	—	4,267	380,981	89.29
9	Federated Malay States	1909	—	4,536	278,510	61.40
10	Canada (e)	1910 (June 30th.)	1,133	148,893	43,586,357	292.74
11	British Guiana (f)	1909	—	14,881	428,000	28.76
12	Bahamas	1909	—	2,179	139,390	63.97
13	Cape of Good Hope	1910	364 (in 1908)	102,644	10,147,504	98.86
14	Transvaal	1909 (June 30th.)	—	61,569	1,577,253 43s	25 12s 4d
15	Orange Free State	1908	58	6,866	807,678	118.32
16	Sierra Leone	1908	—	5,640	380,057	68.98
17	Southern Rhodesia	1909	—	1,549	384,370	207.47
				5,174	480,638	207.47

	Curacao	1909		3,439	64,805	18.85
30	Japan (f)	1911	—	11,236,637	yen	yen
31	Formosa (f)	1909-10	—	90,863	yen	20.91
32	Formosa (f)	1910-11	—	138,184	yen	22.39
33	Corea (f)	1912	6,913 (in 1911)	2,267,810	Cr.	86.93
34	Austria (m)	1911	4,487 (in 1910)	823,251	Cr.	141.54
35	Hungary (h)	1911	—	5,967	Cr.	62.19
36	Bosnia Herzegovina (h)	1911	—	565,759	Sw. Cr.	83.40
37	Sweden (s)	1911	3,286	312,462	Fr.	171.84
38	Bulgaria (b)	1911	230 (in 1910)	233,003	Fr.	275.10
39	Roumania (r)	1911-12	—	265,003	£ E.	2.15
40	Egypt (g)	1912	—	12,717	Escudos	64.80
41	Philippine Islands	1910 (May 31st.)	—	—	—	—
42	Portugal (r)	1913 (May 31st.)	—	—	—	—

Special Sources: (a) Statistical Abstract for the United Kingdom (1912). (b) The New Zealand Official Yearbook (1912). (c) Stateman's Yearbook, 1912. (d) Rivista delle Comunicazioni (Publication of the Post and Telegraph Department), Rome, January, 1913. (e) The Canadian Yearbook, 1910. (f) Union Postale, 1912. (g) Resconto sommario delle operazioni eseguite a tutto il mese di novembre 1912, published by the General Management of Savings and Post Office Orders, Rome, February, 1913. (h) Foglio delle ordinanze dell' I. R. Ufficio delle Casse Postali di Risparmio, Vienna, 1912. (i) Ordet goudardtviennych shetgetichnich casa po shetgetichnoi operatsii za 1911 god (*Report of the Government Savings Banks on the Savings Business Done in 1911*). The Government Savings Banks in Russia are: (1) The Central Banks of S. Petersburg and Moscow; (2) The Branches of these Central Banks; (3) The Postal and Telegraph Banks (with 5,338 offices in 1912); (4) The Manufacture Banks; (5) The "Volost" Banks (The *Volost* is a special administrative district in Russia). (j) Annuaire Financier et Economique du Japon - Department of Finance, 1911. (m) Statistische Mitteilungen, Vienna, March, 1913; (n) Sveriges Officiella Statistik Sparbanken ar 1911 (*Official Statistics of the Swedish Savings Banks*); (o) GARSW (Dr. S.). L'Epargne en Bulgarie (*Le Mouvement Economique*, October, 1912); (p) Le Mouvement Economique, January, 1913; (q) Egyptian Postal Administration - Annual Report for 1912; (r) Diario do Governo, April 23rd., 1913; (s) Post Office Department Annual Reports for the Fiscal Year ended June 30th., 1912. Report of the Postmaster General. (1) In Belgium, the Postal Banks depend on the "General Savings and Pension Bank". However, of 316,261 pass books issued in 1912 by that Bank, 274,541 were utilised for accounts at the Post Office.

These are the principal typical rules in force with regard to withdrawal. In other States there will be found variations of one or other of these systems, which it is not necessary for us to mention here.

§ 4. WORK OF THE POSTAL SAVINGS BANKS. DEVELOPMENT OF THEIR BUSINESS. — COSTS. — PROFITS AND LOSSES.

(a) *Development of Business.* — The international statistics of the Banks give, in the figures showing the number of their offices, and of their depositors and the amount of the deposits, decisive proof of the economic and moral success obtained by these popular institutions in the whole world. It will be enough to consider the figures in the following table, reproduced to a large extent from the publication of the National Monetary Commission and partly from other sources indicated in the table, in order to form an idea of the importance of the capital deposited in the Post Office Savings Banks, not only in densely populated countries where the institution has long existed (such as Great Britain, France, Italy, Belgium etc.) but also in those in which it was introduced only a few years ago and in countries where the population is sparse (1).

What above all deserves special attention are the large number of offices in every country and the amount of the average credit of the depositors. This amount varies with the special economic conditions of the separate countries, but generally it may be said that it is comparatively small and much less than the average savings of depositors in the ordinary savings banks. In an article already published in this Bulletin (2), figures were given showing the difference between the amount of deposits per saving bank book in the Postal and in other savings institutions.

(1) For want of space we have not reproduced the figures for the number of offices and depositors, nor for the amount deposited from the date of foundation of Postal Savings Banks, in every individual country. The reader will be able to find them given for many of the countries included in our preceding tables in the publication of the *National Monetary Commission*, and in Dr. HEBER's book mentioned among our sources.

(2) *Bulletin of Economic and Social Intelligence*, January, 1913.

TABLE IV. — *Average Deposits in the Postal Savings Banks and in other Savings Banks.*

Countries	Years	Amount (in Marks) of Deposits per Savings Bank Book	
		in the Postal Banks	in other Savings Banks
		marks	marks
United Kingdom.	1910	291.19	583.47
France.	1909	229.35	382.78
Italy.	1910	260.64	848.07
Holland.	1909	186.46	407.24
Austria.	1909	89.02	1,180.29
Sweden.	1910	93.36	583.14
Hungary.	1910	118.14	1,601.57

If in all the above countries the average amount of deposits is higher than ordinary than in the Postal Banks, in some (Holland and the United Kingdom) the total amount of deposits is higher in the Postal than in other Savings Banks.

Countries	Years	Amount of Deposits (in Millions of Marks)	
		in the Postal Banks	in other Savings Banks
		millions of marks	millions of marks
United Kingdom.	1910	3,445.36	1,066.26
Holland.	1909	276.72	176.72

and these figures make even more apparent the value of the Postal Savings Banks which have been able to form immense amounts of capital by accumulation of very many small amounts of savings.

Working Expenses. — The special features of the organization and of the Postal Bank operations have their effect on the working expenses. Of course all the expenses actually borne by the Postal Banks in their work are not included in the figures we reproduce below, since to the extent the savings bank business is entrusted to the post office of the country. For this reason, as well as on account of the difference in the nature of the operations, it would be difficult to compare the expenditure of the Postal Banks with that of the Savings Banks.

From official information, supplied by the separate foreign administrations of the Postal Banks to the Italian administration and published in the "Report on the Work of the Postal Savings Banks for the year 1910", we can see both the absolute amount expended by various States on their Postal Savings Banks and the amount spent per franc of credit.

TABLE V. — *Postal Savings Bank Expenditure in Certain States.*

States	Expenditure		Depositors' Credits		Average Expenditure per franc of Credit		Increase or Decrease in the Average Expenditure per franc of Credit between 1901 and 1910
	1901	1910	1901	1910	1901	1910	
	lire	lire	lire	lire	lire	lire	
1. Austria	1,031,998	1,162,878	155,514,249	243,454,788	0.006,680	0.004,777	— 0.001,853
2. Belgium	1,627,595	2,742,552	709,334,088	993,414,611	0.002,294	0.002,760	+ 0.000,466
3. Bulgaria	56,155	871,865	1,713,585	45,887,643	0.032,770	0.019,000	— 0.013,770
4. Canada (1)	315,931	1,814,400	220,065,086	1,176,276,729	0.001,435	0.001,542	+ 0.000,107
5. Egypt	36,292	140,000	1,243,794	12,461,075	0.000,291	0.011,239	+ 0.010,948
6. France	4,276,325	8,092,587	1,080,389,845	1,709,714,869	0.003,900	0.004,733	+ 0.000,833
7. Japan (2)	1,434,942	2,878,939	79,489,945	437,920,633	0.018,952	0.016,960	— 0.002,092
8. Great Britain	12,652,325	15,344,607	3,509,822,900	4,256,033,418	0.003,600	0.003,605	+ 0.000,005
9. British India (3)	603,399	1,062,520	179,459,671	237,127,181	0.003,362	0.004,100	+ 0.000,738
10. Italy	2,011,437	4,238,804	700,947,347	1,773,255,479	0.002,869	0.002,401	— 0.000,468
11. Holland	763,412	1,566,969	195,982,775	343,340,169	0.008,140	0.004,000	— 0.004,140
12. Roumania (4)	100,000	90,000	28,926,677	52,124,975	0.003,457	0.001,726	— 0.001,731
13. Sweden (5)	304,909	412,342	76,459,159	63,059,312	0.005,693	0.006,538	+ 0.000,845
14. Hungary	392,070	374,033	39,573,337	113,323,944	0.006,215	0.003,271	— 0.002,944

(1) The data for Canada are for 1901 and 1907. — (2) The data for Japan are for 1903 and 1910. — (3) The data for British India are for 1903 and 1910. — (4) The data for Roumania are for 1901 and 1907. — (5) The data for Sweden are for 1902 and 1909.

(1) The data for Canada are for 1901 and 1907. — (2) The data for Japan are for 1903 and 1910. — (3) The data for British India are for 1903 and 1910. — (4) The data for Roumania are for 1901 and 1907. — (5) The data for Sweden are for 1901 and 1909.

From the above table we see that the working expenses per franc of t are least in Canada, Roumania, Italy, Belgium, Hungary and Great un.

We must, however, say that upon these figures no conclusion can be l with regard to the organization of the postal banks of the individual is, since the greater or less expenditure per franc of savings depends on y circumstances varying with the country and not appearing in the

Thus, for example, other things being equal, the working expenses naturally be higher in a State where the average amount of the sits is lower.

In fact the order of the States will be rather different when arranged ding to the expenditure per transaction instead of according to the amount of deposits, as is seen from the following figures given n. Heber.

Countries	Years	Expenditure per Transaction (Marks)
Transvaal	1907	1.22
Cape of Good Hope.	1906	1.11
France	1905	0.66
Russia.	1905	0.58
Victoria	1906	0.54
Finland	1906	0.53
Great Britain	1905	0.46
Sweden	1905	0.41
Belgium	1906	0.36
Holland	1905	0.36
Italy	1904	0.34
Austria	1906	0.19
Hungary.	1904	0.16
Bulgaria	1906	0.16

(c) *Profits and Losses.* — Examining the balance sheet of the Postal ngs Banks and comparing the amount of the working expenses and interest on deposits with the interest obtained by investment of the sits, we may observe that generally the profits of the Savings Banks been considerable. In some countries the holders of passbooks had ght to a share in these profits. Thus, in Belgium up to 1890, and in up to 1897, the depositors were given a share in the profits every years and, this was at once an incentive and a reward for the poorer sions who sought in the Savings Banks a safe and permanent ment for their savings.

But not seldom have the accounts been closed with a loss, sometimes siderable loss. In Great Britain in the thirteen years between 1896 1908, ten were closed with *deficits*, varying between £3,971 (in 1896) £161,443 (in 1908). In France there was a loss of fr. 16,845 (in 1882)

and of fr. 331,225 (in 1892). The first working years of the Postal Bank of Holland (1881-1886), Sweden (1884-1890) and the Bahamas (1886-1890) all closed with losses. In Finland between 1887 and 1908, the only year in which there were profits were 1889, 1892, and 1908, and in the whole period there was a total loss of 153,583 Finland marks.

But even when there are losses, it must be observed that the deposits do not suffer, because the State itself stands security for the fulfilment of the obligations assumed by the Postal Banks. Besides, even where there have been financial losses, we must not doubt that the existence of the Postal Banks has been a source rather of gain than of loss to the national economy. In fact the losses in a working year, excluding those in the early years of the business, to a large extent made up for by later profits and those due to an imperfect or too costly organization, have sometimes been due to the combination of the two following circumstances: that post offices have been founded close together over a large area, thus causing an increase of expenditure, but uniting an enormous quantity of savings which but for these institutions would for the most part have been lost and brought in at a very low interest, to the advantage of public institutions. In general, however, if instead of single years we consider the whole results of the business, we find considerable profits have been made. In some States profits are really remarkable. In Italy they have rapidly increased in recent years, passing from 2,764,499 frs. in 1901 to 9,012,569 in 1908; altogether between 1876 and 1910 the postal banks have brought the State in 90,379,957 frs. In Belgium in 1908 the profits were 2,054,624 frs. the same year in Austria they were 8,098,981 crs; in Hungary 1,936,000 crowns; in France 2,297,036 frs. after having in 1902 reached the maximum figure of 5,133,172 frs. In West Australia—as we read in the *Zeitschrift des Königlich Preussischen Statistischen Landesamts* (1912, III. Abtheil.)—in the year 1910-1911, the profits of the State amounted to £8,333.

§ 5. DISTRIBUTION OF THE DEPOSITS ACCORDING TO THE CLASS OF DEPOSITORS.

It is highly important for anyone considering the interests of agriculture to know how the deposits are distributed among the various classes of depositors, and this for various reasons. First of all such information will help to show what reception the postal banks have met with in the various countries from the rural and agricultural classes as compared with the urban population and members of other social classes, and thus it helps us to see whether these popular thrift institutes are entering fully into the habits of the peasants and the farmers, or how they may do so. On the other hand, statistics of this nature are necessary to fix the proper limits, highly important from the point of view of political and social economy, between the amount the agricultural classes pay into the Postal Savings Banks and the amount of this the institutions invest to the advantage of agriculture.

Not all the States, however, collect statistics with regard to the occupation of the depositors nor show, in their yearly statistical reports on the Postal Banks, the domicile of the depositors, or what deposits made in urban and what in rural offices.

Nor are the figures we possess in the case of certain States always of our purpose as sometimes the farming class is not clearly distinguished from that of other depositors. Nor, finally, can we say the figures of greatest interest for us admit of comparison, because returns have been made on different systems and sometimes not in accordance with very definite principles, so that the expressions "farmers", "peasants", "agriculture", "agricultural population" etc., to which the figures refer, mean different things in different countries and sometimes in themselves very vague.

Let us further add that, independently of this, it is not always possible from the existing statistics to obtain a satisfactory answer to the question with which we are concerned: what proportion of the savings is represented by the rural population? In fact in the statistics of deposits distributed according to occupation, we find by the side of the figures of "farmers" or "farming population", other classes of considerable importance, such as, housekeepers, minors, servants, school-children, dealers, artisans etc.

How many members of these and various other classes live in the country on the profits of agriculture? Indeed, how frequent it is in view of the great importance of the phenomenon of urbanism in the present day — for a period of time varying from a season to several years, part of the rural population betakes itself to the city to accumulate a certain amount of money which it deposits in the Postal Banks and then returns to the village with its savings. Does not this money though gained in the city belong to people who come from the country, and a great many of whom return to the village which is the real centre of their economic life? These considerations are necessary to show that we can form no true estimate of the amount of the deposits made by the rural population from the statistics of the Postal Banks in the various countries.

Using the data we possess, we may consider two groups of countries; one the farming class, both as regards the number and amount of its deposits, holds a very inferior position as compared with the other classes of depositors: in other countries, however, its position is important. So, for example, to the special conditions of the country, in the Cape Colony, where the principal wealth is derived from the gold and diamond mines, farmers and herders with fishermen form 1.20 % of the total depositors (1906), and in Egypt where the precept of the Mohammedan law forbidding to put money out at interest has still much force and the *jellaheen* or small Muslim farmers are averse to placing their small savings in the Postal Banks, (1) the farmers at present form only 78 % of the depositors.

See in this connection: Organisation and Development of Land and Agricultural Banks in Egypt, in the *Bulletin of Economic and Social Intelligence*, Year III, No. 3, 1912.

In France also the number of depositors who make their living by agriculture (landed proprietors, farmers, peasants) seems not to be considerable. Although the classification of the figures relating to the various classes of depositors, in the following table, does not allow of our estimating them exactly, it seems that between 1906 and 1911 the number of books issued to farmers decreased both absolutely and in proportion to the total amount of books issued.

TABLE VI. — *Savings Bank Books issued in 1906 and 1911 in France to Farmers, etc.*

Class of Depositors	Years	Total Number			Percentage of Total Number of Depositors
		Men	Women	Total	
Farmers, Manufacturers, Shopkeepers	1906	19,152	5,076	24,228	4.71
	1911	17,352	5,352	22,704	4.26
Daily Wage Earners and Peasants	1906	38,686	9,768	48,454	9.5
	1911	37,920	11,520	49,440	8.7

In the same way, in Belgium the number of books issued each year by the Postal Banks to peasants and farmers is not large, although not in the statistical tables of this country are the agricultural classes distinguished from the others.

Classes of Depositors	For every 100,000 Books Issued in the Year				
	1907	1908	1909	1910	1911
Daily Wage Earners and Peasants	5,743	5,474	5,766	6,027	5.5
Farmers, Manufacturers and Shopkeepers	633	334	363	302	1

Also in Holland in 1911, the farmers appeared as only 5.76% of the depositors (6,908 in a total of 119,975). The opposite tendency is observed in Bulgaria, where the depositors, belonging to the agricultural class

end of 1911 were still only 10 or 12 % of the total number, though this a percentage higher than in previous years. This is due to the fact that year after year there is an increase both in the total numbers and in the percentage of new depositors belonging to the agricultural population (farmers, stock improvers, viticulturists, beekeepers, etc.), as is seen in the following table :

Depositors belonging to the Agricultural Population of Bulgaria	1900 — %	1905 — %	1910 — %	1911 — %
Registered during the Year	4.17	10.37	13.83	15.48
Remaining on the Books at the End of the Year	2.66	6.15	9.51	10.82

If we now take the total figures, we find in the year of the first institution of the Postal Banks (1896) no pass books were issued to farmers, but in the following year, 557 in 1900, 2,715 in 1905 and 3,989 in 1910.

On the other hand the amounts deposited by the agricultural classes in Russia and in Japan are very large. In Russia, the Savings Banks, with the exception of a few private ones, are all institutions under State administration. In 1842 the first 50 banks administered by the State began working and only in 1889 were savings banks founded in connection with the post and telegraph office in order to develop the habit of thrift among rural populations.

On January 1st., 1912 the 7,705 Savings Banks in working were distributed in the following manner and proportion :

Savings Banks in connection with the Central Banks	987
" " Branches of Central Banks . . .	1,315
" " Post and Telegraph Offices . .	5,338
" " Factories	100
" " in the " Volosts "	145
Total	7,705

As we see, a very considerable proportion of the Russian Government Savings Banks (69.27 %) are Postal Banks. We shall not confine ourselves here to considering of the work of the Russian Post Office Savings Banks, because all the Government Savings Banks are regulated on the same principles and have the same economic and social aims and for the purposes of study equally deserve to be considered. According to the *Report of*

the State Savings Banks on the Savings Business transacted in 1911, the important group of individual deposits, (exclusive, that is, of the deposits of collective bodies and corporations), at the end of 1911, had been made by persons engaged in agriculture and rural industry. The number of pass books, owned by this class was 2,202,138 (or 29%) and the amount of the corresponding savings, 420,656,200 roubles, or 30.4 %. The land proprietors, on the contrary, form an unimportant class of depositors with 39,694 books (0.5 % of the total number) in which a credit was entered of 9,638,900 roubles (or 0.7 % of the total credits). The Statistics collected by the Management of the Russian Savings Banks allow of our forming a more approximate idea of the number of rural depositors and the amount of their deposits, as account is taken in them not only of the occupation but also of the domicile of the depositors. Thus it is estimated that the number of books issued to *peasants*, engaged in urban industries, in factories, workshops and mines or as domestic servants, is 3,292,039 (in a total of 7,617,010 or 43.22 %) and the amount of deposits entered in these books is 590,086,200 roubles, in a total of 1,385,943,200 roubles, or 42.58 %.

In Japan also, as we have said, the agricultural class has an important place among the various groups of depositors in the Postal Savings Bank.

TABLE VII. — Number of Depositors belonging to the Agricultural Class and Amount of their Deposits.

Years	Number of Depositors		Percentage of Agricultural Depositors	Amount of Deposits made by	
	Agricultural	Total		the Agricultural Class	by all Depositors
1901	629,350	1,979,640	31.79	7,436,757	23,965,437
1905	1,499,964	4,929,189	30.43	10,568,811	41,801,386
1910	3,026,115	16,052,641	30.10	34,363,852	127,112,097

In the last ten years there has been a slight decrease in the percentage of depositors classified in the returns as agricultural, and in that of the amount of their deposits. But also in the case of Japan we must say that the amount of the savings made by the rural population exceeds the figures shown above. However, the figures in the *Financial and Economic Yearbook of Japan* for 1911 do not allow of our making a more approximate calculation.

For Egypt also we have statistics of the distribution of the deposits according to occupation, but with no indication of the amount of

sits made by each class. On December 31st., 1912, in a total of 265,003
sitors there were

29,559 farmers
21,134 peasants
127 tenant farmers.

together, 58,820 persons (22.19 % of all the depositors) directly en-
d in agriculture).

THE INVESTMENT OF THE SAVINGS COLLECTED BY THE POSTAL BANKS AND THE INTERESTS OF AGRICULTURE.

In the case of certain States we have been able to find more or less
roximate figures for the deposits made by farmers and the other social
ses, in that of others, as for example, Italy, there are no statistics to show
in what social classes the large amounts accumulated in the Postal Banks
derived. Yet this information is of the greatest economic and political
importance if we would know which classes and which regions have
led the national savings to contribute to the financial revival of the
or to the accomplishment of works of public utility or to the advantage
particular industries.

It still remains for us to consider the subject of the investment of the
tal Bank funds in the various countries.

The importance of this has always been recognised, for the legis-
re assemblies in discussing the laws for the institution of Postal Banks
e often feared that the State, centralising the savings in its Banks,
ld dissipate the available funds in the various regions of the national
itory, to the evident loss above all of the small centres, whether rural
urban, where there is the greatest scarcity of money, usury is practised,
industry, commerce and agriculture languish.

This possible competition of the State with private enterprise, this
ed cause of possible disturbance of the national economy occasioned by
accumulation of enormous funds at the disposal of the Public Treasury,
tributed to the defeat of the first bill presented in the Italian Parliament
the institution of postal banks in 1870 by the eminent Statesman, Quin-
Sella. The same opposition was renewed in 1875, in the memorable de-
e on the new bill drafted by the same Sella, in which there took part
rious economists averse to State intervention, which they said would
e the effect of causing amounts that might have been really advantageously
sted in industry, commerce and agriculture to be used for the purchase of
ment annuities and for loans to local administrations. The Minister
ded himself against this criticism, as he himself desired the savings
the Postal Banks of a country so eminently agricultural as Italy to be

used to a large extent to benefit agriculture through the purchase of land credit bonds.

Ultimately the financial vicissitudes of the new kingdom necessitated the investment of the largest part of the available capital in the purchase of public revenue bonds and loans to charitable institutions, communes and provinces for the construction of roads, schools etc. We do not desire to dispute the excellence of these political measures, which, it must be recognised, have had the effect of reviving public credit and providing for the execution of urgent works of general utility. Let us only observe, that the question of the employment of the Postal Bank funds is still open and remains almost where it was left by Sella, Luzzatti and others in 1875.

The Hon. Signor Luzzatti, even later, in 1894, at the Economic Congress of Milan, expressed his regret that an institute for economic education, such as he and Quintino Sella had conceived it, should have been changed into a Treasury institute. Let the postal savings, said he, especially those collected from the farmers, return to agriculture, the necessary precaution being taken. And the Congress passed a resolution, presented by the Hon. Signori Chimirri and Luzzatti, expressing the desire that the Savings in the Postal Banks should be decentralized and used under due guarantee for the benefit of the country districts whence they to a great extent were obtained.

Later on, attempts were again made by illustrious members of Parliament to put a stop to this species of drainage of capital from the periphery to the centre, to the injury of local economy.

So the Hon. Maggiorino Ferraris, with the object of solving the serious national problem of land credit, has on various occasions and even recently advocated the institution of an Agricultural Union (*Unione agraria*) co-ordinate the work of 1,800 Borough Agricultural Banks (*Casse Agrarie Mandamentali*) entrusted with the grant of the necessary credit to farmers by means of advances of seeds, manure, livestock, plants, implements, machinery etc. The funds required for the working of the Local Union or for the Agricultural Credit business should have been especially supplied out of the surplus deposits of the Postal Savings Banks. Since the Postal Bank deposits cost the State about 3 % in interest and working expenses, agricultural credit might be granted at 4 %, that is at about the lowest rate on which it is granted in Europe (1).

Let us now consult the last *Report of the Deposits and Loan and Treasury Bank* for 1911, which administers the postal savings and we shall see how far the intentions of the founder of the Postal Banks, Quintino Sella, have been from being realized and what account has been taken of the desires of the Hon. Signori Luzzatti, Chimirri, and Maggiorino Ferraris.

(1) See: FERRARIS (M.), Deputy. La riforma agraria. Schema di un disegno di legge (in *Nuova Antologia*, January 16th., 1901) and Di una riforma agraria. Politica di legge e Programma Agrario Nazionale (in *Nuova Antologia*, November 16th., 1899).

By art. 23 of the law of August 8th., 1895, no. 486, amending the law of 1863, the funds of the deposit and loan banks constituted by ordinary and savings deposits must be invested to the extent of not more than half the amount in State or State guaranteed securities and the balance in loans to the Provinces, Communes and Consortiums in accordance with the existing laws, or in current accounts with the Treasury.

The funds at the disposal of the Deposit and Loan Bank increased from 1891 to Frs. 2,735,431,476, of which Frs. 1,873,612,872 (or 68.49 %) consisted of deposits made by the Postal Banks on account of savings deposited in them at compound interest.

In the above period purchases were made of Government annuities and other State guaranteed securities for a total amount of Frs. 1,315,370,910; this amount frs. 9,030,500 (or 0.68 %) was used for purchase of land and bonds of the Bank of Italy and the Bank of Naples.

Let us now go on to consider the loans granted by the Deposit and Loan Banks during the years 1876-1911: they amounted altogether to frs. 177,627, for the most part for public works, roads, harbour works, public works, prisons, barracks, etc. — (frs. 327,958,453); for school buildings (frs. 103,372,399); for necessary communal roads (frs. 55,474,976)

Agricultural interests were directly promoted by the grant of the following loans for:

Drainage and Irrigation Works (laws of	
June 25th., 1882, February 28th, and	
July 4th., 1886)	Frs. 32,962,935.97
Special and Practical Agricultural	
Schools (laws of June 6th., 1885	
and June 30th., 1896).	» 2,114,500.00
Total . . .	Frs. 35,077,435.97

9 % of the total loans.

Adding to this amount of frs. 35,077,435.97 that of frs. 9,030,500, invested in land bonds (which besides do not all represent agricultural loans) we get a total of frs. 44,107,935.97 devoted between 1876 and 1911 to the advance of agriculture.

The Italian Statistical tables do not tell us how much of the frs. 1,612,872 paid by the Postal Banks to the Deposit and Loan Banks was derived from the savings of the agricultural classes; but, account being taken of deposits sent home by the emigrants and of the essentially agricultural nature of the country, we must conclude that this class of savings is a large proportion of the total.

In view of this, the fact that the amount of frs. 44,107,935.97 contributed by the Deposit and Loan Bank in favour, of agriculture is 2.35 %

of the total 1,873,612,872 frs. constituting the postal savings, is of considerable importance.

It is not for us to express any opinion on the policy followed in the investment of the funds of the Postal Savings Bank. It seems to us, however, interesting to note that works of undoubted national importance have been accomplished by means of the savings of the humblest classes of the population, invested at interest about 1 % lower than that granted on small deposits in the safest credit institutes.

And in relation to the policy inspiring the investment of the deposits in the postal banks, let us mention that of the 2 ½ milliards of francs administered by the ordinary savings banks in Italy about three hundred million are invested in mortgage loans and almost as much in bills of exchange especially passed by farmers who have need of money for long periods and numerous renewals (1).

It may be said that the States, which, like Italy, have centralized the investments of the postal Savings Banks, violate a principle which seems every day more to prevail in modern financial politics: that capital should be reinvested to the advantage of those regions and those classes from whence it is derived.

This tendency has at least found partial expression also as regards the Postal Banks in the laws passed and bills proposed in various States.

In Germany, where there are still only the ordinary Savings Banks which follow the principle of decentralisation of investments, in the bill for the institution of Postal Banks it is provided, so as to dissipate the fear of a centralisation of the funds on the part of the Empire, that a part of the savings collected be assigned to the Governments of the various States to be utilised for loans on mortgage, to the communal associations or the advance of agriculture and finally to the communal Savings Banks.

In the United States where Postal Banks were instituted by law on June 25th., 1910 (2), provision is made by an original system to respect the principle of decentralisation and at the same time to offer the deposits collected by the Savings Banks for investment in the district where they have been collected in the manner that is seen to be most remunerative. The law provides (art. 9) that the savings collected by the Postal Savings Banks must be deposited in solvent banks organized as National or State Banks at a uniform rate of not less than 2 ¼ % in all the States and Territories of the Union (3). However, there must first be made a deduction of 5 % from the deposits in the postal banks for a reserve fund, to be kept in money of legal tender by the Treasurer of the United States to serve as a guarantee for the repayment of the deposits. The Banks the

(1) See in the article "Italian Savings on June 30th., 1912", published in this Bulletin, February, 1913, the amount invested by Savings Banks in loans on land.

(2) See the text of this law in *Bulletin de Statistique et de Législation comparée* published in France by the Minister of Finance, number for January, 1911, pp. 107-108.

(3) So the interest on investments is always 2 ¼ % above the interest on deposits (Art. 7).

disposed to receive the funds of the Postal Banks in deposit must have a suitable guarantee in State Securities to the Board of Commissioners, entrusted with the administration of the Postal Banks, consisting of the General Manager of Posts, the Secretary of the Treasury and the Attorney General of the United States. The amount of Savings that may be deposited in any bank must not exceed the paid up capital of the bank and half the surplus of the reserve fund (1). What must now be noted is that the deposits in the postal banks in each city, village or other locality are deposited in the corresponding local banks: if there is no other bank of the kind contemplated in the law in the city, village or locality or no bank in which the deposits can be placed will accept them on conditions imposed by the law, the money may be deposited in conformity with the law in the bank which best satisfies the conditions in the locality. If then in any State or Territory, the law goes on to say, no bank prepared to receive these deposits under the conditions laid down they shall be forwarded to the Treasury of the United States to be invested in Government annuities or other United States securities and added to the reserve fund. This part of the fund, however, may not exceed 30 % of the deposits, because, according to the spirit of the law, the rest of the post office deposits, or 65 %, must remain in deposit in the banks of each State or Territory to constitute their working capital as well as another fund that may be invested in Government annuities or other State securities, but only in accordance with a decision of the President of the United States and in his judgment the public welfare and the interests of the United States demand it.

We have shown the system adopted in the North American countries in detail, because it seems to us perfectly adapted to attain the foregoing ends.

(a) To offer the humbler classes of Society in the Postal Banks an institution in which they can have full confidence inasmuch as it is a state institution ;

(b) To avoid any danger of financial centralisation and the drawing of capital away from the localities where the savings are made to the State banks, because the funds of the Savings Banks, after the formation of a reserve fund of 5 % are entrusted to the ordinary savings banks or the local banks in order that they may arrange for their investment.

(c) to make it possible to offer the capital automatically and simply, for such investments as will be most profitable for the same classes of depositors.

In fact, it is evident that the postal savings in an agricultural centre will be formed chiefly by farmers and that these savings deposited in the local banks will be especially invested in rural loans: or that the savings made in an industrial or commercial centre will be specially made by the workmen and

(1) This surplus is the amount in excess of the minimum reserve fund, fixed at 25 % of the deposits, the law requires the banks to form as a guarantee for the repayment of deposits.

classes that benefit by the industrial activity of the place and will be invested by the local banks under the form of industrial or commercial credit to the advantage of those industries and that trade which provides the depositors with labour and wealth.

On the other hand it is to be noted that the system adopted by the United States allows the President of the Federation in cases of national necessity to permit the local banks to invest their capital in Government annuities or other United States securities.

We have, therefore, here an elastic system, enjoining as a rule the observance of the principle of localisation of the investments of the postal savings, but not preventing a deviation from the principles established by the law, in exceptional cases, in which the public welfare and the interests of the United States advise it (1).

According to the last report, of June 30th, 1912, 7,357 local banks were authorized to receive the postal savings bank deposits. About 54 million dollars of these deposits were transferred to the local banks and invested in the purchase of communal bonds to the amount of 37,000,000 dollars, which is also an investment to the advantage of the localities in which the savings were made.

Now, passing in rapid review the systems adopted in the various countries with regard to the investment of the funds of the Postal Banks, and, classifying them in two groups, according as they do or do not allow of the investment of at least a part of the postal savings bank deposits in behalf of agriculture, we may draw up the two following tables:

(1) Even in Switzerland there is a tendency to avoid, in case of the foundation of Postal Banks, the centralisation of the deposits in the hands of the State. We read in the *Lausanne Gazette* of April 23rd., 1913 that in a popular meeting assembled at Zurich by the Union of the Arts and Trades, a resolution was passed to the effect that 75 % of the Postal Bank Capital should be placed at the disposal of the ordinary savings banks at a low rate of interest.

TABLE VIII. — Countries in which as a rule the Postal Funds are not employed for the Immediate Benefit of Agriculture.

Order	States and Colonies	Employment of Funds
1	Great Britain	State or State guaranteed Securities.
2	Tasmania	State Securities; Deposited in Banks.
3	British India	Paid over to Government.
4	Ceylon	State Securities; of Great Britain, India, Ceylon and other British Colonies.
5	Queensland	State Securities, Deposited in Bank.
6	Straits Settlements . .	First Class Securities, approved by the Secretary of State for the Colonies.
7	Federated Malay States.	State Securities selected by the Postmaster General.
8	Canada	State Securities.
9	British Guiana	State Securities.
10	Bahamas	British State Securities or local investments designated by the Governor.
11	Cape of Good Hope . .	State Securities.
12	Transvaal	Investments selected by the Minister for Finance
13	Orange Free State . . .	— do —
14	Sierra Leone	State Securities.
15	Southern Rhodesia . .	First Class State Securities.
16	Gold Coast	State Guaranteed Securities
17	Dutch East Indies . . .	State Securities; Negotiable Shares, etc.
18	Curaçao	Principally Dutch Municipal Bonds
19	Egypt	State Securities
20	Philippine Islands . . .	State Securities; Deposited in United States Banks.
21	Portugal	Added to the general revenue of the <i>Caixa Geral</i> , which purchases Government annuities, lends to the Treasury, the Municipalities etc.

TABLE IX. — *Countries in which part of the Postal Bank Funds is Employed for the Benefit of Agriculture.*

States and Colonies		Employment of Funds
1	New Zealand	Government Annuities; Loans to Local Organisations; Government Loans in behalf of Agriculture, Colonisation, etc.
2	New South Wales	Loans to Farmers under form of Advances to the "Settlers' Board". Government Securities; Deposited in the Treasury and the Banks of Issue.
3	West Australia	Deposited in the Banks of West Australia; Loans to the Agricultural Bank"; first Mortgages on Farms; Government Annuities; Local Loans to Municipalities; to Offices for Roads, Water Supply, and Drainage.
4	South Australia (1) . . .	Government Securities; Communal Loans; Deposited in Banks; Mortgages.
5	Victoria	State Securities; Deposited in Banks; Mortgages; Land Bonds.
6	France	State Securities; Loans to Departments; Real Estate Land Credit Bonds.
7	Italy	State Securities; Loans to Provinces, Communes and Charitable Institutions; Loans for Public Works Land Bonds.
8	Belgium	Advances on Deposit of Securities, Warrants; State Provincial and Communal Securities; Bonds of Belgian Societies of the first rank; Mortgage Loans as Agricultural Loans; Loans for the Purchase and Building of Workmen's Dwellings.
9	Russia	State Securities; Railway Bonds, Land Bonds.
10	Finland	State Securities; Mortgages; Communal Bonds, Loans to Private Banks.
11	Holland	State Securities, Provincial and Communal Bonds Mortgage Bonds; Credits on Commercial Bills sanctioned by the Dutch Bank.
12	Dutch Guiana	Mortgages, State Securities; Communal Bonds.
13	Japan	State Securities; Land Bonds; Bonds of Colonisation Banks.

(1) South Australia is the only country where the Post Offices receive deposits and make repayments through a private savings bank, the only one in the State, working under Government supervision.

LE IX (Continued). — Countries in which part of the Postal Bank Funds is Employed for the Benefit of Agriculture.

States and Colonies	Employment of Funds
4 Austria	State or State guaranteed Securities, Land Bonds, Communal, Railway, etc. Bonds.
5 Hungary	State Securities, Land Bonds.
6 Sweden	State Securities; Loans to Communes; Railway Bonds; Swedish Mortgage Bank Bonds.
7 Bulgaria.	Deposited in the National Bank of Bulgaria (1); State Securities.
8 Roumania	State Securities; Rural and Urban Mortgages; Loans on Deposit of State Securities and Mortgage Bonds.
9 United States of America	Deposited in Local Banks, State Securities.
10 Newfoundland	State Securities; Mortgages.
<p>(1) With regard to the rural credit operations conducted by the National Bank of Bulgaria, see number of this Bulletin for June 30th, 1911, pages 187 et seqq.</p>	

For want of the necessary information we are unable to show the amount of savings in the postal banks invested in each class of investment for individual country above mentioned. We may, however, affirm that the greater part of the Postal Bank funds is invested in Government annuities. In many countries, in which the interests of agriculture have been considered, the investments in agricultural credit loans, rural mortgages, the purchase of land bonds represent but a small part of the total. This is the case as we have seen in Italy and also in several other States, Belgium, Holland, Austria and Hungary.

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TABLE X. — *Employment of the Deposits in the Postal Banks in Certain States*

States and Year	Amount of Deposits	Employment of the Deposits		
		Nature of Employment	Amount	%
Belgium (1) 1911	Permanent Employment frs. 1,048,520,342	Government Annuities . . .	297,800,151.67	28.4
		State Guaranteed Bonds . .	82,488,554.22	7.9
		Communal and Provincial Bonds	200,733,231.96	19.1
		Bonds of Belgian Societies .	115,852,075.34	11.0
		Mortgage Loans	8,472,340.69	0.8
		Advances for Dwellings . .	89,525,345.64	8.5
		Advances to Agricultural Credit Societies	278,822.61	14
		Agricultural Loans	14,915,315.86	
	Temporary Employment	Belgian Bills	78,501,479.52	7.4
		Foreign Bills,	117,988,283.16	11.2
		Loans in Pledge	41,958,400—	4—
		Advances for Dwellings . .	1,346.98	4—
Austria (2) 1906	632,500,000 crowns (including the Cheque Service Funds)	Public Debt	256,500,000—	37—
		State Guaranteed Securities.	62,000,000—	10—
		Land Bonds, Communal Bonds and Bank Bonds.	108,000,000—	17—
		Railway Bonds,	12,000,000—	2—
		Bills of Exchange and other Commercial Credits . . .	214,000,000—	34—
Holland (3) 1911	florins 161,631,546	Government Annuities . . .	77,599,390—	48
		Colonial Debt	1,225,858—	0
		Mortgage Bank Bonds . . .	4,720,645—	3
		Various Securities, Railway, Provincial and Municipal Bonds	57,872,653—	35
		Short Term Loans	210,000—	0
		Renewals	20,003,000—	12

(1) *Compte Rendu des opérations et de la situation de la Caisse Générale d'Épargne et de Retraite, Année 1911. (Report on the Work and the Situation of the General Pension and Savings Bank, 1911).*

(2) The Figures for Austria are reproduced from the article by Zaleski in the *Archiv für Statistik und Telegraphie* 1908, above cited.

(3) *Verlag van de Koningin betreffende de Rijkspostspaarbank in Nederland over 1911. (Report to the Queen on the Work of the Postal Savings Banks in 1911).*

In some States and Colonies the amount of the savings invested to profit of agriculture is not very clearly distinguished from that otherwise invested.

§ XI. — Investment of the Deposits in Certain States where the amount invested to the benefit of Agriculture is not very clearly distinguished from that otherwise invested.

Date and Year	Amount of Deposits	Employment of Deposits		
		Nature of Employment	Amount	%
Sweden (1) Balance Sheet for the Year closed December 31st., 1911.	50,550,908.51 Swedish Crs.	Cash	306,104.84	0.61
		Bank Credit	3,862,271.52	7.64
		State Securities and Bonds of the Swedish Mortgage Bank	36,078,097.02	71.37
		Municipal Bonds	10,304,435.08	20.38
		Amounts not Repaid by the Treasury	2,617,310—	22.55
Victoria (2) (1906)	State Securities	3,040,060—	26.20
		Deposits in Banks	2,735,148—	23.57
		Municipal Loans of the City of Melbourne	31,400—	0.27
		Other Loans	720,851—	6.21
		Mortgages	1,559,334—	13.44
		Land Bonds and Bonds of the "Advances Department"	900,928—	7.76

(1) « Sverige officiella Statistiska Sparbanker år 1911 ». Of the total of 36,078,097 Swedish Kronas invested in State Securities, 20,366,490 Swedish Kronas were invested in Land Bonds of the Swedish Mortgage Bank.

(2) Information quoted by Dr. Heber from the « Victoria Savings Banks Statements and Returns for the Year ending June 30th., 1906 ».

Besides being able clearly to establish the amounts invested in rural credit either in long or short term loans, directly from the State or through the medium of some Bank, in which the postal bank funds are deposited or through the means of purchase of rural credit bonds, we should, as already mentioned, know exactly the amount of deposits made by the agricultural classes, and wish to settle even approximately the proportion between what the agricultural classes contribute to the Savings Banks and the amount they invest to the advantage of agriculture. In many countries, in fact,

we know that investment of this kind is rare, but we cannot assert whether or no the deposits made by the farmers are as small.

Only in the case of Russia, where it has been possible to calculate approximately the amount of savings placed in the State Banks by the agricultural classes, are we able to make a comparison between this amount and the sums invested in land bonds.

TABLE XII. — *Investment of Savings in Russia.*

Nature of the Investment	Amount (Millions of Roubles)		Percentage	
	1905	1911	1905	1911
Government Annuities	172.9	667.2	17.28	39.1
Railway Bonds	323.0	384.9	32.28	22.1
Bonds of the Nobles' Land Bank and of the Peasants' Rural Bank . . .	486.6	632.2	48.63	37.1
Bonds of Private Mortgage Banks. . .	18.2	16.9	1.92	0.5
Total	1,000.7	1,701.2	100 —	100 —

The figures for 1911 are taken directly from the "Report of the Savings Banks on the Savings Bank Business conducted in 1911"; the figures for 1905 are reproduced from Dr. Heber's book.

As we see between 1905 and 1911 the percentage invested in rural land bonds had decreased from 48.63 to 37.16. If it be remembered that the deposits made by the peasants were calculated on December 31st, 1911, 42.58 % of the total, we may see that even in Russia, where the greatest importance is given by the State to agricultural interests, the amount of capital deposited in the State Banks by the country population is not more than that the State invests in land bonds.

Also in Japan, where the deposits made by the farmers are considerable, the Government — as the Director of the Bureau of Agriculture at Tokyo M. Chuji Shimooka, has written in this Bulletin (1) — has for several years been investing the deposits of the Postal Savings Bank in loans through the medium of the Japanese Mortgage Banks, the Agricultural Industrial Banks and the Colonial Bank of Hokkaido. These loans were made to public organizations in virtue of a law of 1909; to societies for the

(1) See "The Non-Co-operative Rural Credit System of Japan," *Bulletin of Economic and Social Intelligence*, January, 1913, p. 5.

readjustment and reclamation of land and to co-operative societies; to forestry and fishing societies in 1911 and in the same year to farmers, manufacturers and merchants in small amounts of about 500 yen. It was calculated that the loans in 1912 were distributed as follows:

	Yen
Public Organizations.	10,000,000
Small Loans to Farmers, Manufactures and Merchants.	50,000,000
Societies for Farm Land Readjustment and Land Reclamation	3,200,000
Co-operative Societies	1,500,000
Fishing Societies	200,000
Forestry Societies	100,000

The loans for the benefit of agriculture are those granted for farm readjustment and land reclamation, the greater part of those to the co-operative societies and a small part of those to farmers, manufacturers and merchants. Except in the case of the small loans, the interest was 5.3 % on amounts exceeding 30,000 yen and 5.8 % on inferior amounts.

FINANCIAL SERVICES AUXILIARY TO THE WORK OF THE POSTAL SAVINGS BANKS

OFFICIAL SOURCES:

- RECUEIL DE RENSEIGNEMENTS SUR L'ORGANISATION DES ADMINISTRATIONS DE L'UNION
SUR LEURS SERVICES INTERNES, publié par le Bureau Postal International (*Informations*
collected in relation to the Organisation of the Union Administrations and their Postal
Services, published by the International Postal Bureau). Lausanne, 1911.
- UNION POSTALE (*Postal Union*): Monthly Publication of the International Postal Bureau.
- FOGLIO DELL' "R. UFFICIO DELLE CASSE POSTALI DI RISPARMIO IN VIENNA". (*Journal*
the I. R. Postal Savings Banks Bureau, in Vienna). (Monthly Publication. 1st
Edition).
- RIVISTA DELLE COMUNICAZIONI (*Communications Review*). Publication of the Postal &
Telegraph Department, Rome.

OTHER SOURCES:

- GUIDA (Dr. Ugo): Il Servizio postale di *cheques e clearing* (*Postal Cheque and Clearing*;
vice) in *Rivista delle Comunicazioni*, Nos. I-IV. Rome, 1912.
- HEBER (Dr. Fritz): Die Postsparkassen als Volks und Staatsbanken. (*Postal Savings Banks*
as People's and State Banks). Tübingen, Laupp, 1908.
- HAUDWÖRTERBUCH DER STAATSWISSENSCHAFTEN, Conrad, Article *Postschek* (*Postal Cheque*)
3rd Edition. Jena, 1910.

To complete our account of the development of the Postal Savings Banks and their increasing importance in the economic and social life, we think it well to mention other services they undertake, in addition to their Savings Bank business, for the double purpose of increasing the fund at the disposal of the State and extending to all classes, and even the low of the population, the advantages offered by the modern organisation of finance.

The services to which we allude are the following:

- (a) purchase of State securities or other personal securities for the account of depositors;
- (b) pension and life insurance;
- (c) cheque and clearing business;
- (d) collection of taxes.

(1) See the article published in this *Bulletin*: *Progress of the International Postal Savings Banks and the Interests of Agriculture*.

I. PURCHASE OF SECURITIES FOR THE ACCOUNT OF DEPOSITORS.

It is a very widespread custom for the Postal Savings Banks to purchase Government annuities, for the account of their depositors, charging a small commission or none at all (as in Great Britain, British India, France, Italy, Belgium, Japan, Formosa, Austria, Hungary, Sweden, etc.). In these countries, when the deposits exceed the maximum limit fixed by law for postal savings, the Banks, either on their own initiative or at the request of the depositor who does not desire a refund, purchase Government securities at the current rate to an amount corresponding with the excess. In some countries, again, in any case the depositor may instruct the Postal Savings Department to purchase Government securities for his account up to the limit entered to his credit in his pass book. In some states the Department undertakes both purchase and sale of Government securities; in others only purchase. The service may be limited to simple negotiation or may extend also to the custody of the securities bought for the account of depositors and the collection of the interest due.

In Japan and Hungary, besides Government annuities, the Department also purchase land credit bonds. In Japan, the Department not only purchases Government annuities or land credit bonds at the request of the depositors, with the amounts deposited, but, since April, 1911, also purchases deposits made by means of the following kinds of securities:

(1) Government annuities; (2) department bonds; (3) bonds of the Japanese Land Credit Bank; (4) bonds of the Japanese Industrial Bank; (5) bonds of the Hokkaido Colonial Bank; (6) Postal orders. We may say, therefore, that in Japan the banking business the postal savings banks are authorised by law to conduct is more extensive than in any other country.

The purchase of personal securities and especially of Government securities by the Postal Banks has had the best results: it has contributed to the increase of savings, beyond the limits fixed for deposits; it has led to the investment of considerable amounts in Government annuities. Thus, in Belgium between 1875 and 1909, the Postal Banks purchased Government annuities to the amount of 501,300,000 francs; in Italy between 1876 and 1910 to that of 449,800,000; in Great Britain, the purchase and administered by the Postal Banks at the end of 1911 amounted to £24,817,856.

§ 2. PENSIONS AND LIFE INSURANCE.

The system of postal banks has served to develop thrift, extending to the humbler classes the practice of life insurance and the insurance of pensions. Thus, insurance assists in attaining the end for which the postal savings banks were made: guaranteeing the depositor and his family a modest income in the future by means of sacrifices made in the present.

In *Belgium* the Pension Fund instituted by law of May 8th., 1865 was associated with the Savings Bank in 1865 so as to form with it General Savings and Pension Bank. Up to November 16th., 1890, when desired to contribute to the Pension Fund through the post offices, first to deposit in the Savings Bank and then apply for transfer to be made. Since that date all the post offices, except the agencies and the temporary offices, conduct the business in regard to pensions directly. Pensions may be immediate or deferred and may amount to a maximum of 1,200 frs. a year. The minimum of the deferred annuities is fixed at 1 fr., the minimum of immediate annuities at 12 frs. The deferred annuities can only be enjoyed from date of the month following that in which the contributor completes the year between 50 and 65 fixed for his pension. Depositors in the Savings Banks have the right to arrange that their deposits shall serve to form a pension for them.

All the available funds are invested by the Pension Fund as follows: (1) Belgian Government annuities or other State guaranteed securities; (2) provincial, city and communal bonds; (3) land bonds or mortgages; (4) bonds of Belgian societies that for five consecutive years have their engagements out of their ordinary resources.

The Pension Fund has received assistance from the State and has developed rapidly: in 1888, 7,600 pension books were issued for pensions amounting to 6,400,000 francs; in 1909 there were 1,070,000 books amounting to 148,500,000. More than 90 % of the contributors to the Pension Fund belonged to the working class.

The participation of the post offices in the business of the Insurance Society associated with the Pension Fund by law of June 21st., 1894, dated from February 1st., 1897. It may be said that the insurance business conducted through the post offices is, in its main outlines, conducted the same way as the savings and pension business, with but little difference. The accounts of the postal savings and insurance business are united.

The society undertakes *mixed insurance* and *entire life insurance* as well as *temporary insurance with decreasing capital*, to guarantee, in case of death, the repayment of the balance due, in annuities of equal amount.

The amount assured to a single person cannot exceed 5,000 frs.

The payment of premiums may be effected by means of transfers of the funds deposited in the Savings Bank, which treats these operations as repayments at sight.

The funds of the Insurance Society are invested in the same way as those of the Pension Fund.

Even in *Great Britain*, by virtue of the law of June 3rd., 1884, contracts for life insurance or pensions of not more than £100 may be arranged through the Postal Savings Bank. Insurance premiums and contributions to pension fund may be deducted from the amounts invested by the insured in the Postal Savings Bank. Without dwelling on the principles governing these contracts, we shall here give the figures for the business done in 1911 by the Postal Banks of Great Britain.

	Pensions		Life Insurance
	Immediate	Deferred	
Number of Contracts . . .	1,885	165	426
Amounts of Pension or Insurance	£ 40,400	£ 2,328	£ 20,040

We shall further mention that in *Japan*, by Imperial Decree of 15th, 1910, coming into force on April 1st. following, the post office dependent on the Department of Communications and on the Governments of *Corea*, *Formosa* and *Sakhalien*, were entrusted with payment of Government pensions and subsidies to the families of employed employees. There are two methods of payment: payment in cash and payment by transfer to the current account opened to the pensioner in the Postal Savings Bank. In this second case, at the request of the person concerned, the office entrusted with the payment simply transfers to the pensioner's postal savings book the amounts as they become due, as transfers to his account.

§ 3. CHEQUE AND CLEARING SERVICE.

In certain States the Cheque and Clearing service has already assumed considerable importance and is to be introduced into others in order to obtain the great benefits it may render to the economic life of the nation and to the State finances.

In Great Britain and in the United States of America the practice is widely diffused of keeping current accounts open at the banks and employing cheques as a means of payment. By means of cheques many banks may do credit and clearing business together, comparing their accounts with each other at fixed dates and reducing to a minimum the dense sums of which they are respectively debtors and creditors. Such operations make cash only necessary for the payment of the balance. In the States of the continent of Europe, however, this practice is not in general use, especially as there is a prejudice — as Dr. Guida observes in the essay above cited — that this means of payment is by its nature only intended for high finance. In order to spread the use of cheques among the smaller tradesmen, manufacturers, and men of business,

the institution of the postal cheque and clearing system has been devised. This consists essentially in the postal department in one or more defined centres keeping current accounts open for any one who desires it. In deposits made in any post office either by persons for their own account or by others in their favour contribute to form the credits; and the payments they make by postal cheques furnished by the Department for the purpose, the amount of which may be drawn by the holders of the cheques in any post office, appear as the debits. While the bank cheque is of use within the limits within which the bank and its branches work or within the sphere of action of the other institutes with which the bank itself is associated for *Clearing* purposes, the postal cheque has the advantage that it is accepted and paid in all the post offices of the State and hence also in smaller centres where branch banks do not exist. So that if a person, resident in any small country village, even not adherent to the service, desires to pay the owner of a current account an amount, he need only deposit the necessary sum in a post office and the Department will credit it to the other's account. If, on the other hand, the owner of an account desires to pay a certain sum to another who has an account, he signs a cheque in his favour payable at any post office. Finally, it is a question of regulating an account when both parties have current accounts, the debtor simply draws a cheque in favour of the creditor, who, instead of asking the Post Office to convert it into cash, has the amount deducted from the debtor's account credited to his. In this way, manufacturers, merchants, professional men, etc., may, when rendering their accounts to their debtors, invite them to pay the amount to the account in any post office and thus save the heavy expenses in connection with the forwarding of money.

The systems, on which the postal cheque and clearing service works in the various countries in which it is now in use, are three: the Austro-Hungarian, in which it is associated with the Postal Savings Bank; the German-Swiss, for which an autonomous management has been organized; the special Belgian system in which indeed, the postal cheque and clearing service is substituted by a quite special institute, a result of the collaboration of the Post Office and the Bank.

We shall limit ourselves in this article to indicating how and where the first system grafted on to the service of the Postal Savings Bank arose.

It was directly due to anxiety with regard to the financial interests of the Postal Bank, that is, with the object of increasing the deposits and making a wide distribution of the general expenditure that the cheque system was introduced into Austria by Ministerial Decree of October 28th., 1883. The results of this innovation were excellent: the deposits which in 1883 (before the reform) had been 8,176,899 florins, in 1887 amounted to 50,586,461 florins, of which 42,223,539 were florins employed in the cheque service. The service received its final form in the law of November 19th., 1887, which is still in force.

Hungary very soon followed the example of Austria, in law XXXIV 889, and also associated the cheque service with that of the postal savings banks.

After the annexation of *Bosnia-Herzegovina* to the Austro-Hungarian archy, the foundation of a Postal Savings Bank for the country was led on, on September 13th., 1910, and it was also entrusted with the cheque and clearing service. The Bank began working on July 17th., 1911. It is to be observed that transfers of credit may be effected not only between persons who have current accounts in the postal savings bank of *Bosnia Herzegovina*, but also between them and those who have current accounts in the Austrian and Hungarian postal banks, the Austro-Hungarian Bank and the privileged banks of *Serajevo*: *Landesbank* and *Landes- und Kommerzialbank*.

Finally, we have to mention two other countries: Japan and the British Colony of Sierra Leone.

Japan, by law of March 1st., 1906, entrusted the Savings Bank founded in 1878, with the postal cheque and clearing service. Since the amount required for opening a current account is very low (20 yen = about 53 shillings), and the charges on business operations very small, the system has extended widely also in this country.

By provision of the laws of May 17th., and July 15th., 1907, a service of postal cheques was instituted in connection with the Postal Bank of *Sierra Leone*.

After these few remarks with regard to the extension of this service in connection with that of the postal savings banks in various countries, it will be well to indicate, utilising for the purpose Dr. Guida's recent study, the taxes and dues imposed on the postal cheque and clearing service.

In *Austria* and in *Hungary* there is (1) a tax of 4 h. on every operation conducted in connection with an account; (2) a proportional rate of $\frac{1}{4}\%$ on all entries to the debit of an account up to 6,000 shillings and $\frac{1}{8}\%$ on amounts exceeding this. Payments made by transfer of credit or by money order are exempted from this charge.

In *Japan*, as appears in the above cited publication of the *Union Postale Universelle*, there are the following taxes on payments and de-

	Deposits		Payments	
	1 yen	1 sen	10 yen	5 sen
For accounts not exceeding				
1	5	2	50	10
2	10	4	100	15
3	50	6	200	20
4	100	8	300	25
5	500	10	400	30
6	1,000	12	500	35
7	5,000	14	600	40
8	10,000	16	800	45
9	—	—	1,000	50

In the case of deposits of more than 10,000 yen, 4 sen in addition to the above rate, for every 10,000 yen or fraction thereof. (1).

Low charges like these have considerably contributed to the development of this service in the various countries into which it has been introduced.

Limiting ourselves to the official data published for Austria and Hungary, we learn that on December 31st., 1912, 116,904 persons had open accounts in the Postal Cheque Offices, and of these 115,144 shared in clearing business, while at the same date in Hungary there were 241 persons who had cheque accounts and 17,339 shared in the clearing business.

The importance of the operations and the rapid development of the service may, however, be seen better in the following table, prepared from data contained in the *Rivista delle Comunicazioni*, published by the Italian Post and Telegraph Department (February, 1912, pp. 195 seqq.).

	Austria		Hungary	
	1910	1911 (July)	1910	1911 (July)
<i>Owners of</i>				
<i>Current Accounts:</i> Total Number.	102,574	107,088	20,716	21,710
" " Total Credits (in crowns) . . .	394,544,332	359,694,465	98,896,021	99,470,200
" " Sharing in the Clearing Business	101,053	105,483	20,716	21,710
<i>Deposits in</i> {				
<i>Cheque Account</i> { Number . . .	49,466,802	4,428,084	12,967,699	6,919,988
{ Amount, crowns.	15,702,188,869	1,276,360,969	3,807,239,286	2,099,007,460
<i>Payments out of</i> {				
<i>Cheque Account</i> { Number . . .	13,060,654	1,162,889	2,465,057	1,513,077
{ Amount, crowns.	15,668,729,434	1,273,479,434	3,713,651,166	2,098,402,790
<i>Clearing Operations</i> {				
{ Number . . .	444,5693	380,715	1,646,300	918,168
{ Amount, crowns.	6,157,651,759	561,390,201	2,841,481,642	1,541,171,488

(1) (Jan-June).

We may say generally that approximately the same rules govern the investment of the funds deposited in postal cheque accounts as prevail in the case of the other funds at the disposal of the Postal Savings Banks.

(1) Gold yen of 100 sen = fr. 2.583 at par.

In Austria and Hungary the Central Banks must always keep available the amounts necessary for the conduct of this business. They are authorized to invest the excess in the purchase of mortgage bonds, in deposits in current accounts in the large banks withdrawable at short notice, in loans on documents of unimpeachable security, discounting, of bills presenting no risks and purchase of Government bonds. Further, the constitution of a special reserve fund to meet eventual losses through this service is prescribed: in Hungary this reserve fund is not special but common to the savings and cheque services.

When the very great advantages and the unexpected extension of the postal cheque and clearing system were recognised, at once the idea was conceived of adapting it to regulate the relation of creditor and debtor between persons resident in different States and instituting an international postal cheque and clearing system that has in practice assumed two forms: (a) the *postal* business properly so called or the official service conducted directly between one post office and another; (b) the *bank and bank* business, conducted between the post office and the banks. The postal cheque and clearing business between two countries was first organized for the Postal Savings Banks of Vienna and Budapest, by means of a special agreement, by virtue of which every owner of a current account in any of the offices concerned was given power to make transfers of credits in favour of any owner of a current account in any other office; cash transactions, however, were prohibited. The new service rapidly developed: thus in 1907 112,063 transfers of credit were made between the two banks for a total amount of 204,552,335 crowns. These felicitous results induced Germany (Imperial Post Office, Württemberg, and Bavaria), Austria, Hungary and Switzerland to come to the agreement of October 27th., 1909. By virtue of it, on February 1st., 1910, the postal service was opened in the four States, contemporaneously, permitting any owner of a current account in the post offices of the States concerned to arrange *transfers of credit* in behalf of any owner of a similar account in any other of these States. However, deposits and payments of money are not allowed, so that the advantages of this service are restricted to those who are already owners of postal current accounts. The administration has the right to fix its special rate for credit transfers provided it be not more than $\frac{1}{2}$ ‰. In accordance with this rule in Austria-Hungary, $\frac{1}{2}$ ‰ is charged on transfers up to 2,000 crowns; $\frac{1}{4}$ ‰ on higher amounts, the minimum rate being 5 h.; in Germany $\frac{1}{2}$ ‰ is charged for any amount (minimum 20 pf.), and a special rate of 7 pf., when more than 600 transfers are made for one account in the year; in Switzerland the rate is 25 centimes up to 500 francs; any additional 100 francs or fraction thereof, 5 centimes. The advantage of this international service was seen in the statistics for the first six months.

Transfers of Credit	Number	Amount
From Other Countries to the Vienna Postal Bank . .	19,168	Crowns 9,124,436
From Vienna to Foreign Postal Banks	46,925	" 25,538,894
From Other Countries to Swiss Postal Banks. . . .	4,901	Francs 2,307,098
From Switzerland to Foreign Postal Banks	22,372	" 5,183,448
From Other Countries to German Postal Banks . .	63,921	Marks 29,701,837
From Germany to Foreign Postal Banks	18,819	" 7,476,136

On a similar basis another service was organized between the Belgian Postal Department, the German (Imperial Post, Bavaria, Württemberg Posts, the Swiss Post and the Austrian and Hungarian Savings Banks which began to work on November 1st., 1910.

The international postal cheque and clearing service, however, presents these two defects in its working: that it is limited to few countries and to the service of transfers of credit: it only serves for those who are in possession of postal current accounts.

The service is completed by the postal banking service. This has been arranged between the postal departments of Austria, Germany, Switzerland and Hungary and certain foreign banks in different countries (Belgium, France, Italy, Great Britain). By virtue of special agreements these Banks serve as intermediaries for all those who have to conduct credit or debit operations in regard to postal current accounts in Austria, Germany, Switzerland and Hungary. And such operations may be conducted either in cash or by means of transfer from the current accounts in the bank concerned to postal current accounts or *vice versa*. This international postal banking service has been received with very great favour by the public. In 1910, as far as regards, Austria, 78,818 payments were made by foreign banks to the Vienna Postal Savings Bank for an amount of 61,119,144 crowns; and 86,443 by the Vienna Postal Bank to foreign banks for an amount of 73,493,923 crowns.

§ 4. COLLECTION OF TAXES.

We shall, lastly, refer to the service of tax collecting which the Japanese Postal Savings Banks may perform for the Communes.

In April 1909, in order to facilitate the collection of municipal taxes the communes were given power to avail themselves of the Postal Savings Banks for the purpose. With this object they must open a postal cheque and clearing account, after obtaining authorization from the Minister of

munications. By means of this system, the tax payers of a commune, who have current accounts, may pay their taxes through any post office situated within the commune. These payments may be made either in cash or by transfer from the credit of the tax payer, according to the usual procedure. In this case, the Department substitutes the ordinary form of the deposit receipt by that of a receipt for the tax, or, if the party concerned desires to pay by means of transfer, it attaches the tax receipt to the order for payment.

Every day the principal office of the district in which the municipality is situated advises the commune of the collection made, and the commune may immediately obtain payment of the amounts collected. A charge is levied on the tax payers for collection; only the commune pays 1.5 sen per operation.

Part IV: Miscellaneous

AUSTRALIA.

VARIOUS FORMS OF LAND SETTLEMENT IN AUSTRALIA (*Continued*).

CHAPTER II.

NEW SOUTH WALES.

§ 1. GENERAL INFORMATION.

The State of New South Wales occupies a large region of territory in the south-east of Australia on the Pacific. It has a coast line of more than 1,100 miles. Its area is about 500,000 sq. kms, and its population according to the 1911 Census was, 1,650,470.

The climate of the country varies considerably in different parts; but since the soil is naturally very fertile, it can produce plants of the greatest variety, from those of cold climates to those peculiar to the tropics. Under the present conditions, except for a few small districts where the ground is sterile and consequently incapable of remunerative production, the whole country is such that the colonist has but one question to settle, What class of crops is best suited to the land he has selected?

But leaving the general conditions of the country, the regions more especially adapted for cultivation are the east and centre. All the districts in these two divisions, except a part of the mountain chain, are susceptible to the highest agricultural development, and, at present, about 50 million acres could be cultivated with the ordinary methods. If, later on, modern scientific methods are applied, this area of fifty millions could be considerably increased.

The condition of the large plateaux of the west is essentially different. The rainfall is not regular; it is even so uncertain that it can not be counted

on at all. It is evident then, that in these regions the conditions are the most favourable for the cultivation of the soil, but another branch of agriculture may be tried with advantage, that of dairy farming, for the conditions are favourable to livestock. Although as we have said, agriculture may be carried on on a large scale in New South Wales, yet on March 31st., 1911, only 4,437,224 acres of this immense territory were yet under cultivation. Of this number, 1,055,304 acres were sown with grasses, and the rest utilised for other kinds of agricultural produce.

In this State the question of land settlement must be considered under an aspect very different from that it had at the date colonisation enterprise began. The immigrants in 1851, when gold was first discovered, belonged to the manufacturing class, and proposed only to enrich themselves by working the auriferous strata. In time, this current of immigration has been transformed. The new immigrants are quite of a different class from those of earlier days, the mass being above all composed of farmers. As we see by the Crown Lands Act of 1861, it was early attempted to facilitate the settlement of an agricultural population in the country and to reduce the large areas given up to grazing. As the immigrants, in general possessing very little money, could not assume all the duties of colonisation, it was laid down by *Robertson's Act* that the colonist should have free choice of the land. After being duly surveyed the land would be granted in lots varying in area from a minimum of 40 acres to a maximum of 320 acres at the rate of £1 per acre. Part of the amount was to be paid at date of consignment of the land, the rest was to bear interest at 5% per ann. With regard to land already held on pastoral lease by virtue of grants for the period of one year, the law endeavoured to make the grant proportionate to the number of head of livestock the colonist might possess.

By the 1861 law it was attempted definitely to regulate the work of settlement and, with this object, the territory of New South Wales was divided into settled districts of the first and second class, unsettled districts and grazing land. The grants of land of the first class were for one year at the rate of £2 per square mile; holdings of second class land and unsettled land were granted on lease for five years. The area might vary from 25 sq. miles to 100 sq. miles and the price was fixed by auction. The grazing land was left to the free selection of the settler.

The 1861 law did not abolish the system of unconditional sale, which remained in force up to 1884.

After these general notes on the early historical and legislative condition of New South Wales and before entering on the study of the law now in force, we must deal with the system of administration and classification of the Crown Lands adopted in this State, which has been imitated by the other States of the Australian Continent.

§ 2. ADMINISTRATION AND CLASSIFICATION OF CROWN LANDS

referring our readers to the second section of the first chapter of this *Bulletin of Economic and Social Intelligence*. No. 3, 1913, page 105) as a general outline of the administration and classification of Crown lands in Australia, we shall give here the administrative rules peculiar to South Wales.

For the purposes we are considering this State consists of three territorial divisions, the East, the Centre and the West, separated by lines running approximately North and South and each of these is subdivided into certain numbers of districts.

The three principal divisions are based on considerations of climate and other conditions of natural affinity. In general, it may be admitted that the east and central divisions are the best adapted for agriculture proper, so called, whilst the western is by its climate and the general character of its soil better suited for grazing and dairy farms.

The Eastern division has an area of 11,260,326 acres and consists of a narrow belt of land between the sea coast and a line almost parallel to it, running from a point intermediate between the little settlements of Bonville and Bengalla on the River Dumaresq and terminating at Howlong on the River Murray and thus embraces all the coast districts of the State, the plateaux of the North and South. The soil of this division is excellently suited for agriculture and all the original centres settled are provided with roads connecting them with the markets of the State. For these reasons the conditions for sale and settlement of crown lands are more burdensome here than in the centre and the west.

The central division has an area of 57,055,846 acres and extends from North to South between the boundary of the Eastern division and a line starting from the point where the 149th meridian (East Longitude) crosses the River Macintyre which it follows in its course, now deviating to the West and now to the East according to the configuration of the soil and reaches the River Murray at the point where its tributary the Edward joins it. The area included includes in the North of the State the basin of the Darling and in the South the basins of the Lachlan, Murrumbidgee and other tributaries of the Murray.

The soil of this division is specially utilised for grazing farms, but as experience has shown it might be cultivated with advantage and the production of cereals is continually increasing. The Western division is situated between the boundaries of the Eastern Division and those of South Australia. Its area is 80,318,708 acres and the land, which is largely used for grazing, is watered by the Darling and its tributaries.

Reservoirs and irrigation might compensate for the unfavourable climatic conditions and irregular rainfall, so that also this large territory might be brought under cultivation. The nature of the soil is such as to limit the growing of any kind of crops, but the legislation with regard

to land settlement is based on the assumption that for many years to come the territory will be little suited for crops.

As we said above, in addition to these three large divisions, the State of New South Wales is also divided into districts. There are 103 of these and in each of them there is a resident Government officer, called *Crown Land Agent*. This has been arranged to facilitate the passing of contracts in regard to Crown Lands and to render easier the collection of revenue, duties, interest and instalments on account, as well as the supervision with regard to the observance of the conditions on which the various grants have been made.

The supervision of the farms in the Western Division is entrusted to the *Western Land Board*, an office presided over by three commissioners appointed by the Governor for seven years. It is for these commissioners to give their advice for or against the passing of contracts of sale or lease and in any other business connected with the Crown Lands.

In the other divisions there are eleven offices (*Land Boards*) each of which has jurisdiction over several districts. In each district there is a local board (*Local Land Board*), consisting of a manager and two members. In the head office of each Land Board, there is an official surveyor (*District Surveyor*).

In the Western Division, which contains ten of the 103 districts of the State, there are no local boards and their work is done directly by the *Western Land Board*.

Applications for grants of land must be presented, together with the necessary deposit, to the *Land Agent* of the district in which the land is situated. He forwards them to the *District Surveyor*, who forwards them again, with his report, to the *Local Land Board*. The *Local Land Board* examines the applications and decides with regard to the grant.

Appeal may be made against the decision of the *Local Land Board* to the *Land Appeal Board*, composed of a President and two Commissioners. Its decision has the force of a judgment of the Supreme Court and there is no appeal against it.

Independent of these boards, in order to carry out the provisions of the *Closer Settlement Acts* of 1904 and 1907 (1), there is an office, consisting of the President and Commissioners of the *Land Appeal Court* with whom the manager and members of the *Local Land Board* of the district in which the particular farm is situated, are associated.

By an amendment in 1907 the Governor was empowered to form the *Advisory Boards* and to entrust to them the definite duty of studying and reporting on the application of the various laws regarding Crown Lands.

For the classification of land in New South Wales we refer our reader to what has been said in the first Chapter (§ 2) of this study, published in the March bulletin. Still we consider it advisable to draw attention to the provisions of the Crown Lands Act of 1895, part II. By this law, in order that a suitable classification of Crown Lands may be arrived at, it

(1) *Bulletin of Economic and Social Intelligence*, No. 3, p. 105.

ernment has to show separately, by means of notices in the Gazette, lots of land which have been farmed (whatever the form of concession must not, on account of their special character, be utilised for a purpose other than that indicated in the notice.

§ 3. LAWS NOW IN FORCE.

The laws referred to in our first section in many ways gave good results, the provisions of *Robertson's Act* might also have led to serious inconveniences. Amongst these possible inconveniences, one of the most important that the land granted on pastoral lease, since freedom of selection not excluded, might be absorbed by speculators disguised as *bona colonists*.

It was just to prevent this that the laws of 1884 and 1889 were passed; principle of free selection was maintained on condition that the surveying could be done in advance, but a character of greater stability was given to pastoral leases and the same laws also tended to limit the number and area of the farms sold unconditionally. Indeed the Crown was to resume possession of the land granted on pastoral leases and divide it; one half would be given to the tenant on a new contract for a certain number of years, and the other half, the resumed area, might be granted on lease for a single year. The part remained always open for free selection.

But the good intentions which inspired the laws of 1884 and 1889 were not crowned with success. Settlement proceeded very slowly and, contrary to the object it was desired to obtain, large areas of land continued to accumulate in the hands of a single proprietor. Parliament had to provide a remedy and between 1895 and 1907 several laws were promulgated (*Crown Lands Act, Labour Settlement Act, Closer Settlement Act*) introducing new principles into the State legislation on land. These laws still maintained the principle of free selection after survey and the provisions with respect to the pastoral leases, but, as we shall see they also introduced new forms of possession and established easy conditions for those settlers who could be suspected of being inspired by avarice or other extraneous motives.

Special provisions for the farms of the Western Division of New South Wales were contained in the *Western Lands Acts* published between 1901 and 1905; and provision was made that anyone holding land by any registered contract, whether of lease or occupation, must, before June 30th., 1902, renew his contract in accordance with the rules laid down in the *Western Lands Acts*. However, in practice, the provision was not observed and the law remained a dead letter. Nor could the *Western Land Board*, instituted by the same law, exercise any action, since it was considered as a *Local Land Board*, the duties of which did not substantially differ from those of other boards of the kind.

All the contracts passed in conformity with the *Western Lands Acts* expired on June 30th., 1943, unless a portion of the land is previously resumed or is to be sold at auction; in this case, to compensate the loss suffered

by the grantee, the Governor is empowered to extend the term of the grant in respect to the rest of the land for six years.

The grants of Crown Lands may assume the various forms that for convenience we have grouped in the first chapter of this article under six heads. This classification was made with special reference to the form of the legal provisions, but, considering them from the point of view of their substance, it will be seen that they may be all summarized under three heads: the grant, sale or lease.

Leaving out of consideration the free grants, limited to grazing land with which we shall be able to deal incidentally, let us take into special consideration the sales and leases.

Sale of Crown Lands. - In New South Wales the Crown Lands of the East and Central Divisions, those, that is, not subject to reserve and not granted on pastoral lease or any other kind of contract, may be sold to colonists conditionally. The same is allowed in the case of land held on lease or of which the occupation is permitted for one year. In all the divisions the conditional lease of land may be transformed into possession, but always conditionally and only to the benefit of the occupier. Land within suburban limits in the centres of population may be declared special areas and therefore subject to special conditions of sale. The cost of improvements on land sold conditionally must be borne by the purchaser. Residential conditional purchases may be made by persons of over 16 years, and women not living with their husbands and not legally separated from the Non-residential conditional purchase may be made by persons of at least 21 years of age.

All conditional sales must be made solely in the interest of the applicant. Purchasers under age enjoy, in respect to the land purchase, all the rights and privileges of persons of full age.

The minimum and maximum areas for each class of conditional sales are as follow:

Minimum and Maximum Areas of Land according to the Class of Conditional Sale

Class	Divisions	Minimum Area	Maximum Area
		Acres	Acres
Residential	Eastern	40	640
"	Central	40	2,650
Non-Residential	Eastern	40	320
"	Central	40	320
Special Areas	Eastern	—	320
"	Central	—	640

the special areas are liable to be increased or decreased, the size of holdings must be notified in the *Government Gazette*.

Purchasers by conditional contract may obtain the maximum area once for all or by means of successive purchase.

The law of 1908 (*Crown Lands Amendment Act*), provides that, except in case of non-residential purchase, a piece of land may be attached larger than the prescribed maximum by means of the purchase of other farm, the area of which together with that previously possessed may exceed that required for the maintenance of a family. And in determining, account will be taken of the manner in which the land may be properly utilised, its productiveness in ordinary seasons and the average size of family. It is not necessary that the additional farm should be contiguous with that originally possessed, but it must not be very far away.

Applications for conditional purchase of land or additional farms, must be made to the *Crown Land Agent* of the district in which the land applied for is situated and at the same time a deposit must be made and the expenses of surveying paid. The deposit in the case of residential purchase is $\frac{1}{6}$ of the price of the land and in the case of ordinary non-residential purchase, 4 shillings the acre. For special areas the amount of the deposit varies with the price. In ordinary conditions the payment of the purchase price with 4 % interest per ann. is completed in thirty annual instalments of a shilling per acre. The first instalment must be paid on expiration of the third year from date of contract. In cases coming under the provisions of the *Conditional Purchasers' Relief Act* of 1896, the instalments may be reduced to 9d. per acre and even sometimes to 6d., and the period for repayment of the whole sum may be extended to 25 years, provided the purchaser remain on the land for the whole time. By the *Crown Lands Amendment Act* of 1903, the interest on the purchase price is reduced to $2\frac{1}{2}$ % with retrospective effect in special cases.

When the *Land Board* receives an application for conditional purchase of land, it examines it and gives its opinion which, if it is favourable, is forwarded to the applicant.

The land purchased conditionally must be occupied by the purchaser continuously for a period of 10 years; residence must commence within 12 months from the reception of the certificate issued by the *Land Board*, and the latter, in certain special cases, may grant leave of absence.

The purchaser, within three years from the concession, must fence the land or in place of this, make permanent improvements on the farm of the value of 6 shillings per acre up to the amount of £384. The value of improvements may even be increased to 10 shillings per hectare up to the amount of £640, to be carried out within five years from date of the concession.

In the case of non-residential purchase, the fencing must be completed within one year from the concession and within 5 years other improvements must be made of the value of £1 per acre.

By the Crown Lands Amendment Act of 1908 an original non-residential conditional purchase, together with any non-residential conditional purchase made under the same law, may be converted into an original residential conditional purchase, if the purchaser has really resided on the land for ten years from date of concession. This period may, however, undergo further reduction when all the amounts previously paid are credited towards future rent of the selection.

A clause of the *Crown Lands Amendment Act* of 1900 allows that the amount of the improvements to be effected within the three years from the sale may be reduced by 30 % of the value of the land and that of those to be effected within 15 years by 50 %.

Conditional Sale, as also conditional concessions, may be converted into a choice of *homestead*, when the purchaser or the concessionary has really resided on the farm for a minimum period of six months; in this case all the amounts paid as interest or rent are considered as paid for this new purpose and all the money eventually paid in excess of that due is placed to the credit of the occupier in view of the future rent of the selection.

The following table shows the number of contracts of conditional sale passed between 1862 and 1911 and the quantity of land sold.

Number of Contracts and Quantity of Land Sold in Various Years.

Years	Number of Concessions	Area Granted in acres
1862-1900	46,449	8,169,874
1901	1,555	360,910
1902	1,691	360,235
1903	1,823	297,267
1904	1,793	285,930
1905	1,013	161,701
1906	2,088	343,832
1907	2,639	443,679
1908	2,961	580,209
1909	3,325	803,354
1910	1,984	294,897
1911	1,613	227,520
Total . . .	• 68,934	12,329,408

The authorized possessors and those to whom auriferous land has been granted may purchase the farms they occupy without these being offered at auction. They must however, bind themselves to reside on the land

to introduce improvements to the value of 8 pounds per acre for urban and two pounds ten shillings for other land.

These systems of auction sale are two. By the ordinary system the total purchase price must be paid without interest within three months from the

But by the system of deferred payment, the price is paid in not more than five yearly instalments with 5 % interest. In both cases, at the moment at which the sale is arranged 25 % of the price must be paid

The land sold by auction must not be more than 200,000 acres a town lot. Town land may not be sold in lots of more than half an acre, or at a price less than £ 8 per acre. Suburban land again must not be sold in lots of more than 20 acres at the minimum price of £ 2.10s 0d. per acre. Rural land may be sold in lots of 640 acres at the most, by auction at an open price of at least fifteen shillings per acre. The value of the improvements to be made on the farm may be added to the price.

Besides these rules, there are others of more special character regarding the purchase of owners' rights over roads, rivers, lakes and the sea. All public roads, not answering a purpose of necessity, bounding or crossing a farm, may be sold to the owner of the farm bounded or crossed by them at a price fixed by the *Land Board*; so also the owner of a holding purchased conditionally may enclose and include in his farm the roads crossing it not answering the necessities of traffic.

In every grant of land bounded on any side by water the right of ownership is reserved to the State up to 100 feet from high water mark; yet the State may consent to the owner of riparian land on payment of a certain sum fixed by the *Land Board* adding to his farm the intermediate belt of land.

The owner of a holding bounded on any side by the sea, tidal river or a lake, who desires to purchase the intervening belt between low water and high water mark, may apply to the Lands Department, except in the case of land on Port Jackson for which the *Sydney Harbour Trust* is the competent body. These belts, however, can not be conceded when their concession might hamper or prevent navigation.

When a land holder by the erection of buildings on his holding encroaches upon a belt of land that does not belong to him, or, if in order to approach his farm he has to cross land that is not his property, or if there is no practicable means of access to his farm, or when the area is not of sufficient extent to be occupied in accordance with a conditional clause, he may apply to purchase the land he requires for his necessities at a price fixed by the *Land Board*.

In the following table, we give the area and price of holdings sold at auction or by private treaty, those sold with the obligation to carry out improvements on them and those sold under special contract.

Quantity and Price of Holdings Sold in Various Years.

Years	Sales by Auction and Private Treaty	Sale with Obligation to Improve the Holdings	Special Sales	Total	
				Area	Price
	Acres	Acres	Acres	Acres	£
1901	49,074	43	445	49,562	116,562
1902	50,110	801	1,022	51,933	115,625
1903	40,610	23	576	41,209	117,879
1904	53,556	23	1,185	54,764	120,946
1905	22,390	6	129	22,525	99,246
1906	22,774	36	2,616	25,426	86,802
1907	25,327	57	1,131	26,515	132,127
1908	13,995	34	712	14,741	94,928
1909	11,745	48	1,229	13,022	98,763
1910	7,980	86	1,109	9,175	91,374

The holders of pastoral leases, in order to give a certain permanency to their leases, at first endeavoured to obtain absolute or conditional possession of the holdings occupied by them here and there in the State. This caused great inconvenience, since the same concessionary, owning lots of land at considerable distances from each other, found it difficult to devote himself to his farm work.

To obviate this inconvenience to which both the State and the settler were alive, it was provided that the land acquired might be exchanged for land still belonging to the Crown. By this means, landowners may unite in one farm, various small tracts scattered over a large area.

One of the most important provisions of the 1905 law was certainly the determination of the holdings that could be selected for the constitution of *homesteads*. Such holdings are truly suited to agricultural purposes and since some of them have convenient means of access to the neighbouring cities, they are specially suited, for persons whose business has to be conducted in those cities. Their value and area and the conditions of sale are published in the Gazette. The maximum area that may be granted for the foundation of a *homestead* is 1,280 acres, but the applicants cannot form the *homesteads* within these limits as they like; their freedom of selection is reduced to this or that lot as decided by the administration.

The farm is granted in free possession, but the owner has to reside on it the whole year round and to pay an amount as a perpetual charge; when he presents his application he must besides deposit an amount equal to

the annual charge and a tenth part of the costs for surveying, and repay cost of all improvements made on the farm.

In the case of a holding granted for the first time, the rent for the six years amounts to $1\frac{1}{4}\%$ of the capital value of the land. The holder of a *homestead* may acquire an additional piece of land, but its area may not exceed that which, under ordinary circumstances, may furnish the holder with the necessary means of subsistence. It is not indispensable that the additional lot should be contiguous with the principal farm; but it must not be at such a distance as to interfere with its cultivation.

The conditions giving a right to the selection of *homesteads* are identical with those established in the case of conditional sales. After the first five years the annual charge is $2\frac{1}{2}\%$ of the improved capital value of the land. A new valuation of the *homestead* is made every fifteen years. The only improvement that must be carried out within eighteen months from the date of concession is the erection of a dwelling house of a value of £25. The obligation on the part of the proprietor to reside permanently on the holding he has bought is understood in the sense that he must really be there for seven months in the year. The same obligation is incumbent on any successor of the assign in the case of transfer of the land, such transfer, however, not being possible within five years from the grant.

By provision of the *Crown Lands Amendment Act* of 1908 the possessor of a *homestead* may be converted into a conditional purchase or lease. Similarly, any one who has made a conditional purchase may convert the holding into a *homestead*.

Lease of Crown Lands. Having thus summarised the various conditions under which contracts of sale are passed, let us briefly show on what conditions the law allows the occupation of crown lands.

First of all, settlers desirous of hiring for pasturage the Crown Lands available and not reserved may obtain a lease for the term of one year. To this grant no condition of residence or improvement is attached; the settler is not sure of enjoying the land occupied during the whole term, as it may be alienated at any time under one of the above forms of lease. In any case the maximum area that can be conceded in this way is 20 acres.

There are, however, holdings granted on special conditional purchase under Ministerial provision. They are leased for a period of 40 years at an annual rate of $2\frac{1}{2}\%$ of the capital value. They may be granted to any male settler of 18 years of age or any female settler of 21 years, subject to all the legal conditions. By this form of grant the lessee is required to reside permanently on the farm for the period of 10 years, commencing within 12 months from the date on which the grant is made. At any moment during the course of the lease, the lessee who has scrupulously observed all the conditions of his contract of lease may convert it into a conditional purchase, by payment of annual instalments of 5% of the

value of the farm plus $2\frac{1}{2}\%$ interest on the principal to be repaid. The first instalment is due within twelve months from the date of application for the conversion. All the other conditions are those of the contract of conditional purchase.

Another form of occupation is that of conditional lease. This contract may be made with holders of conditional purchases. The term of the lease is 40 years, the area of the farm granted may be 1,280 acres in the Eastern and 2,560 in the Central Division. The rate of lease is fixed by the *Land Board* and must be paid in annual instalments and in advance.

The conditions of the contract are the fencing of the land, or, instead, the other improvements provided for in the case of residential conditional purchase.

Another form of lease is that of scrub and land of inferior quality. In the case of these grants there is no limit of area; the term of the lease is 28 years and the annual payments are settled by the *Land Board*. These concessions are made with the object of destroying the scrub, so that the lessee must particularly occupy himself with this and conform to all the instructions he may receive from the *Land Board*.

Other special contracts of lease are passed for industrial purposes. The conditions of these contracts and the annual rate of lease are fixed in each case, in accordance with the circumstances. The contract, which is for a term of 28 years, may at any time be converted into one of purchase or lease coming under one of the heads above dealt with.

Besides these typical concessions there are contracts of lease which take their name from the principal object of the contract or from the nature of the soil, or the improvements the tenant must make on the farm lease (*Occupation Licenses, Pastoral Leases, Residential Leases, Improvement Leases, Snow Leases*). But since neither in substance nor in form do these contracts differ considerably from the others, we consider it superfluous to delay over the matter. It would be more to the point to reproduce a table showing the areas granted up to June 30th., 1911, in accordance with the various kinds of contract, as well as the amount of the annual revenue they yield to the State.

the Farms Leased in accordance with the various classes of contract, together with the Annual Revenue obtained from them.

Class of Leases	Number of Concessions	Area	Annual Revenue
		Acres	£
1 Leases	300	40,811,052	52,918
Lead Leases	1,108	10,198,030	22,345
ement Leases	116	1,950,275	1,078
Leases	3	17,431	9
Leases	4	209,950	48
ent Leases	8	40,050	130
tion Licenses	116	9,162,347	2,840
uncous	932	11,938,111	9,984
Total . . .	2,587	74,327,246	89,352

reader will doubtless remember that we said in our first chapter there was a Mines Department in each of the States of Australia. These agents arrange for concessions in mining areas. The concessions they may be for the exploitation of a mine, the execution of subsidiary or the extraction of metallic deposits from the bed of water courses. Operations are beyond the scope of the present study.

* *

crease in the Intensity of the Settlement Movement. To conclude, we inform our reader that by law of 1910, it is provided : that the estimation of the value of the land, in accordance with which the duties levied on land are fixed and the rate of lease of Crown Lands is fixed, must be renewed every 15 years, and that by the *Closer Settlements Acts*, of which we have treated in the second section of the first chapter, the State may repurchase or lease the farms sold or leased to private persons and after subdividing them into farms of reasonable proportions, may sell or lease them again for a fixed period of years, at a new rate of 5 % of the capital value of the land.

As was provided for first by the *Closer Settlement Act* of 1901, but which law was not immediately put into force it remained a dead letter for some time. It was put into force by the *Closer Settlement Act* of 1904, and afterwards with advantage by that of 1907, which, as we have seen, also established the authorities to give it effect. Finally, the *Settlement Promotion Act* of 1910 definitely systematised the matter and gave a new impulse to the work of settlement.

The following table shows the area and value of the land repurchased and of that added to the Crown Lands between 1906 and 1911.

Area and Value of Repurchased Farms or Lands otherwise Added to the Crown Lands.

Years	Area			Value		
	Land Repurchased	Land Added	Total	Land Repurchased	Land Added	Total
	Acres	Acres	Acres	£	£	£
1906	53,523	13,166	66,689	137,795	24,589	162,384
1907	142,403	25,712	168,115	438,490	37,173	475,663
1908	142,403	25,719	168,122	438,312	37,192	475,504
1909	322,209	28,064	349,273	1,246,508	42,878	1,289,386
1910	401,723	83,045	544,768	1,624,858	147,977	1,772,835
1911	591,830	86,127	677,957	2,297,194	148,749	2,445,943

The farms thus repurchased or added to the Crown Land have been subdivided and sold in lots as follows.

New Distribution of Land Purchased or Added to the Crown Lands.

Years	Holdings		
	Number	Area	Value
1906-1907 . . .	320	154,632	470,767
1907-1908 . . .	326	157,649	475,554
1908-1909 . . .	683	312,075	1,192,283
1909-1910 . . .	941	471,639	1,731,460
1910-1911 . . .	1,316	604,319	2,420,033

From all we have said, it is evident that the law has assiduously occupied itself with facilitating the land settlement of New South Wales; but the statistical data we have given show us that the work of land settlement does not proceed as rapidly as might be desired. We should exceed the limits of the present article, were we to seek for the causes of this phenomenon. And we should prefer to conclude with a brief mention of some indications of the productiveness of the soil of New South Wales.

As a rule, in hardly any of the Australian States, do the older agricultural systems give good results. This is due to the fact that the climate gives them little assistance. Rains are rare and not abundant, and it is only by the application of modern methods that any large profit may be obtained from the soil. In recent years, farmers have indeed commenced to adopt scientific methods of cultivation, but the little capital at their disposal prevents rapid progress. It is calculated that, between 1904 and the present day, little more than three million acres have been cultivated in wheat, and this in spite of the improvements introduced in the methods of cultivation. The reason is that sufficient account has not been taken of the necessity of a certain degree of humidity for the soil. Since the atmosphere does not supply enough, recourse must be had to artificial systems (*dry farming*). For all this it cannot be said that the production of the farms of New South Wales must remain stationary. There are large areas capable of producing excellent wheat, and there is also what is called the *Grain Belt*. In the future, a great development will have to be given to the work of settlement and the multiplication of the means of communication.

If the land can be well organised, a brilliant future is perhaps reserved for the state of New South Wales, since the settlers are well prepared to adopt modern scientific methods of cultivation.

